

FBIS**DAILY REPORT
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25 April 1985

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Burma's Ne Win To Visit

OW241254 Beijing XINHUA in English 1245 GMT 24 Apr 85

["Chairman U Ne Win To Visit China" -- XINHUA headline]

[Text] Beijing, April 24 (XINHUA) -- U Ne Win, chairman of the Burma Socialist Program Party, and his wife will pay a friendly visit to China in the first half of May at the invitation of Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party.

This was announced by a spokesman for the Ministry of Foreign Affairs at a weekly news briefing here this afternoon. The spokesman said China and Burma are close neighbors and their people have enjoyed a time-honored paukphaw (kinship) friendship. "This will be U Ne Win's 12th visit to China," he added.

Officials Plan PRC Visits

OW241343 Beijing XINHUA in English 1306 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- Nigerian and San Marino foreign ministers and the United Nations High Commissioner for Refugees will visit China in May, a Chinese Foreign Ministry spokesman announced today. They will be guests of Chinese State Councillor and Foreign Minister Wu Xueqian, the spokesman said at a weekly news briefing here this afternoon.

He said Nigerian Minister of External Affairs Dr Ibrahim Gambari would pay an official visit to China from May 5 to 10 while San Marino State Secretary for Foreign Affairs Giordano Bruno Reffi would pay his official visit from May 5 to 12. United Nations High Commissioner for Refugees Poul Hartling would visit China from May 6 to 12, he added.

The spokesman said that, between the second half of 1979 and the end of 1984, the office of the United Nations High Commissioner for Refugees (UNHCR) had provided relief worth more than 48 millions U.S. dollars to the Indochinese refugees in China. During the same period, he said, China had contributed about 5.23 million U.S. dollars to the UNHCR. China and this United Nations institution and enjoyed good relations of cooperation over the past few years, he noted.

WU XUEQIAN IN INDONESIA FOR BANDUNG ANNIVERSARY

Attends Conference Opening

OW240849 Beijing XINHUA in English 0705 GMT 24 Apr 85

[Text] Bandung, April 24 (XINHUA) -- The meeting to mark the 30th anniversary of the Asian-African Conference was solemnly declared open here this morning. Nearly 100 delegations from Asia and Africa attended the inaugural session. Chinese State Councillor and Foreign Minister Wu Xueqian was present on the occasion. He is the first Chinese minister to visit Indonesia in the last 18 years. The emblem of commemoration made up of flowers appears on the heavy curtain of the rostrum and the meeting hall is permeated with a joyful atmosphere.

The Asian-African Conference held 30 years ago was sponsored by five countries, namely Indonesia, Burma, India, Pakistan and Sri Lanka. Altogether 29 Asian and African countries took part and the Chinese Government delegation led by the late Premier Zhou Enlai made a contribution to the success of the conference.

Indonesian President Suharto received one by one the heads of the delegations at the entrance of the meeting hall. At 9:30 Indonesian Foreign Minister Mokhtar Kusumaatmaja declared the meeting open.

Lauds Draft Declaration

OW250926 Beijing XINHUA in English 0859 GMT 25 Apr 85

[Text] Bandung, April 25 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian has paid a warm tribute to the draft declaration which will be adopted here today, saying that the declaration "reiterates the strong will and confidence of the Asian and African countries in attaining their common goal." The foreign minister made the remarks here today at the commemorative meeting to mark the 30th anniversary of the Asian-African Conference. The meeting will end here today with adoption of the declaration.

The draft declaration, he said, "fully affirms the great historic significance of the Asian-African Conference held 30 years ago and acknowledges the indelible contribution the ten principles of the Bandung Conference had made to the promotion of world peace and cooperation."

He pointed out that the present international situation remains tense. "The lofty ideas of independence, peace, friendship and cooperation enunciated at the Bandung conference remain the goal of our struggle. In this context, the draft declaration expresses the deep concern of the Asian and African countries over the intensifying arms race, the danger of a nuclear war and the armed conflicts in a number of regions of the world and stresses that 'the principles of self-determination, sovereignty, non-intervention and non-interference and abstention from acts or threats of aggression or the use of force against the territorial integrity or political independence of any country are inviolable.'"

"The draft declaration further reiterates the firm stand of opposing colonialism and the policy of apartheid. It points out the maladies afflicting the present international economic relations such as the gap between the North and the South and the rich and the poor, and urges the developed countries to take urgent measures to help the developing countries overcome difficulties, invigorate their economies. All this reflects the keen desire of the Asian and African peoples and peoples of other Third World countries for world peace and economic development which is a major concern of the international community as well," he added.

He said "We representatives from Asian and African countries have come to commemorate the 30th anniversary of the Bandung Conference. Being a commemorative meeting, its declaration can only make general reference to issues of common concern to Asian and African countries without going into the details of specific problems. This is understandable."

"Before concluding my statement," the minister said, "I would like to point out that to turn the principles and desires embodied in the declaration into reality, we have to make real efforts and take productive actions. The Chinese people will, together with peoples of other Asian and African countries, make unremitting efforts for the realization of the lofty goal of the final communique of the Bandung Conference and the common desire of the Asian and African peoples as expressed at the commemorative meeting, for carrying forward the Bandung spirit, and for the maintenance of world peace and promotion of development."

BEIJING CEREMONY COMMEMORATES BANDUNG ANNIVERSARY

Leaders Laud 'Bandung Spirit'

OW241238 Beijing XINHUA in English 1223 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- Chinese Premier Zhao Ziyang today joined more than 500 people in the Chinese capital at a meeting commemorating the 30th anniversary of the Asian-African Conference. The meeting was also attended by Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference; Qiao Shi, alternate member of the Secretariat of the Chinese Communist Party Central Committee; Peng Chong, vice-chairman of the National People's Congress Standing Committee; and State Councillor Ji Pengfei.

The meeting began at 15:00 hours in the Great Hall of the People. Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, said after declaring the meeting open that the Asian-African Conference held in Bandung was "a new milestone" in the history of Asia and Africa. He recalled the 30 years ago the Chinese Government delegation headed by the late Premier Zhou Enlai, holding high the banner of peace, unity, anti-imperialism, anti-colonialism and friendly cooperation, had made tremendous contribution to the success of the conference.

"Under the new conditions at home and abroad," he said, "we should carry forward the Bandung spirit and contribute to safeguarding world peace, opposing hegemonism, strengthening unity and friendly cooperation among peoples all over the world and to the socialist construction of our country."

Premier Zhao Ziyang made an important speech at the rally. He said that the ten principles adopted at the Bandung Conference reflected the common desire of Asian and African countries to get united, oppose imperialism and colonialism, strive for and safeguard national independence, develop national economy, defend world peace and work for cooperation.

To commemorate the Bandung Conference, Zhao said, the Chinese people would unite more closely with the people of Asian and African countries and people all over the world and make new contributions to world peace and human progress.

Text of Zhao Ziyang Speech

OW250228 Beijing XINHUA Domestic Service in Chinese 1609 GMT 24 Apr 85

[Text] Beijing, 24 Apr (XINHUA) -- Premier Zhao Ziyang's speech at a meeting commemorating the 30th anniversary of the Bandung Conference, 24 April, 1985

Comrades, friends:

Thirty years ago at the proposal of the prime ministers of Burma, Ceylon, India, Indonesia, and Pakistan, leaders from 29 independent countries in Asia and Africa attended the world-renowned Asian-African Conference in Indonesia's Bandung. The conference adopted a final communique, published a declaration concerning the promotion of universal peace and cooperation, and formulated the famous 10 principles of the Bandung Conference, which clearly state the common desires of the Asian and African countries to unite, oppose imperialism and colonialism, strive for and safeguard national independence, develop the national economy, defend world peace, and work for friendly cooperation. The Bandung Conference was recorded in the annals of human progress as a product of the rising movement for national independence after World War II, as well as a symbol of its rapid development.

Inspired by the Bandung spirit, dozens of other countries in Asia, Africa, and other parts of the Third World have won independence and ascended into the international arena over the last 3 decades. This has tipped the balance of world forces in favor of the people of various countries and exerted a far-reaching influence on safeguarding world peace and promoting human progress.

Of course, areas in Asia and Africa are still confronted with a number of difficult problems. The wars of aggression against Cambodia and Afghanistan are still going on. A large part of Arab land is still under occupation. The legitimate rights of the Palestinian people have not been restored. Namibia has not yet won its independence. Racial discrimination is still rampant in South Africa. The just struggles of the Asian-African peoples to win and safeguard their national independence and to protect their national rights are not yet over. The contention of the superpowers for world hegemony and their arms race are a source of concern for the Asian and African countries and their people.

In the economic field, Asian and African countries have made progress to varying extents under different conditions and accumulated a wealth of experience over the past 3 decades. They are beginning to exert an impact on the pattern of the world economy that must not be overlooked. However, the economies of Asian and African countries in general are still fairly backward. They are victims of the unjust and unreasonable old international economic order.

The progress achieved in Asia and Africa over the past 3 decades and the problems they are confronted with today are urging the Asian and African countries, in both positive and negative ways, to hold still higher the banner of national independence, world peace, friendly cooperation, and common development and make still greater contributions to achieving the various goals set at the Asian-African Conference. China is determined to contribute its effort together with other Asian and African countries in this regard.

China cherishes its hard-won independence as well as respecting other countries' independence and is sympathetic with and supportive of other countries and people winning and safeguarding their independence by whatever method they have chosen. We hold that the issues of Cambodia, Afghanistan, the Middle East, and southern Africa must be solved as soon as possible in accordance with the various resolutions adopted by the UN General Assembly. We demand the elimination of colonial rule and racial discrimination in Asia, Africa, and the rest of the world, and an end to the hegemonic acts of big countries bullying small ones and the powerful invading the weak.

China joined India and Burma in initiating the Five Principles of Peaceful Coexistence. It also participated in the outlining of the 10 principles adopted by the Asian-African Conference. On the basis of these principles, we have worked to develop friendship and cooperation with Asian-African countries and other countries throughout the world, and especially good relations with our neighbors. We are very happy to see that China's relations of mutual trust and friendly cooperation with many Asian and African countries are growing. We expect to improve and develop relations with some other countries.

There are nearly some 100 countries in Asia and Africa. They are very different in their ethnic origin, cultural background, economic development, and social system. There are also problems left over from the past and inevitable contradictions and differences between these countries. In addition, external forces have tried to sow discord among them in order to serve their own treacherous purposes.

In order to develop friendly cooperation, the Asian and African countries must get rid of outside interference and "seek common ground while reserving differences" as at the Asian-African Conference. The so-called "common ground" means the Five Principles of Peaceful Coexistence and the 10 principles of the Asian-African Conference. Asian and African countries should strictly abide by these principles and work hard to carry them out.

The Asian-African Conference's final communique proposed regional economic cooperation among Asian and African countries. In recent years, the large number of developing countries have proposed and actively carried out "South-South cooperation," which is a step forward from the concept of the Asian-African Conference. We hold that "South-South cooperation" can strengthen the economies of developing countries and effectively promote the struggle for the establishment of a new international economic order. During my visit to Africa 2 years ago, on behalf of the Chinese Government I proposed China's four principles for strengthening economic and technical cooperation with the African countries. They are: equality and mutual benefit, emphasis on actual results, various forms of cooperation, and common development. These principles apply to China's economic and technical cooperation with other developing countries. We are determined to explore various ways and means on the basis of these four principles and, together with the large number of Asian and African countries, contribute our effort to promoting "South-South cooperation."

WU XUEQIAN, INDONESIA'S MOKHTAR MEET IN BANDUNG

OW241510 Beijing XINHUA in English 1455 GMT 24 Apr 85

[Text] Bandung, April 24 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met here this afternoon with his Indonesian counterpart Mokhtar Kusumaatmaja. Their talks were cordial and friendly and touched on the Kampuchean issue and direct trade between their two nations. The two ministers expressed their desire to strengthen mutual understanding and trust and to develop relations between the two countries through direct trade and contacts in other fields.

The Chinese foreign minister, who arrived here yesterday at the invitation of the Indonesian Government, is heading a Chinese Government delegation to attend the celebrations in commemoration of the 30th anniversary of the first Afro-Asian Conference that was held here in 1955.

XINHUA VIEWS U.S.-USSR ARMS TALKS DIFFICULTIES

OW241900 Beijing XINHUA in English 1836 GMT 24 Apr 85

["Round-Up: U.S.-Soviet Talks: A Tough Beginning (by Ren Zhengde)" -- XINHUA headline]

[Text] Geneva, April 23 (XINHUA) -- The United States and the Soviet Union today wound up the first round of their arms control talks on nuclear and space weapons, with all evidence showing that the two sides have not reached any substantive agreements and that each refused the other's proposals on arms control.

Despite an agreement to keep the talks secret, disclosures from both sides indicate that this round of talks began with difficulties. Each side stuck to its own positions and made no concessions to the other. The main sticking point in their talks was still the issue of the U.S. "star wars" program.

The U.S. side proposed during the talks that both sides reduce their strategic missiles to 5,000 each; that both sides have an equal number of medium-range missiles worldwide; and that there be effective measures to monitor these steps. Under such conditions, both could reduce their medium-range missiles to any level ranging from 200 to zero.

The U.S. avoided space weapons in its proposals; but continued to back President Reagan's position in favor of strategic defense systems. This is apparently unacceptable to the Soviet Union, which wants to scuttle the U.S. "star wars" program. Anatoliy Dobrynin, Soviet ambassador to the United States, accused the U.S. of refusing to discuss details of the "star wars" program to make the Geneva negotiations drag on. The Soviet news agency TASS said the day before yesterday that the stumbling block at the Geneva talks was the U.S. persistence in its support of militarization of space.

The Soviet Union, meanwhile, put forward its own package which calls for a halt in the research, production and deployment of space weapons; a U.S. halt on the siting of medium-range nuclear missiles in Europe; and a freeze on the strategic weapons of both countries. New Soviet leader Mikhail Gorbachav reiterated these proposals on April 7 and announced a moratorium until November on Soviet deployment of medium-range missiles in Europe, adding that Moscow will refrain from taking other counter-measures during the period.

However, the Soviet package was rejected outright by the United States. Dismissing it as nothing new, Washington declared that Moscow's proposals were designed to maintain a 10-1 Soviet advantage in medium-range nuclear weapons. With regard to space weapons, the United States continued to speed up its research program and issued a formal invitation to Western European countries to participate in it.

On the other hand, the Geneva talks were held when there was an apparent thaw in the U.S.-Soviet relations. As a result, both sides showed some "restraint" in trading accusations with each other during the first round of the revived arms control talks in Geneva.

U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrey Gromyko have agreed to meet in Vienna next month and preparations are underway for a summit between leaders of the two countries. Recently, Soviet Ambassador to the United States Anatoliy Dobrynin hinted at a meeting that the Soviet Union would not insist that agreement should be reached simultaneously within the three categories of space systems, strategic nuclear arms and intermediate-range weapons under discussion. The Soviet Union even might allow a U.S. observer to visit a large-scale radar station now being built in Siberia, he added.

These facts show that both the United States and the Soviet Union, out of their internal and external concerns, are not prepared to see the talks fail and both are willing to strike a certain kind of compromise. One cannot rule out the possibility that they might make some progress in future negotiations so as to achieve a further relaxation of tension between them.

But with their contention for military supremacy, both sides will try hard to make the compromise tilt in its own favor. In this sense, the talks will be long and difficult.

I. 25 Apr 85

PRC INTERNATIONAL AFFAIRS
UNITED STATES

B 1

PRC GOVERNORS DELEGATION LEAVES FOR U.S. TOUR

OW241116 Beijing XINHUA in English 1111 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- A Chinese governors' delegation left here today for a friendly visit to the United States of America as guests of the National Committee on U.S.-China Relations and the U.S. National Governors' Association.

The leader of the delegation is Governor of Shandong Province Liang Buting and deputy leader is Huang Jingbo, governor of Qinghai Province.

Members of the delegation include Governor of Jiangxi Province Zhao Zengyi, Governor of Hunan Province Liu Zheng and Governor of Shanxi Province Wang Senhao.

LOCOMOTIVE TRADE CONTRACTS SIGNED WITH GE

OW241740 Beijing XINHUA in English 1559 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- Trade and technical transfer contracts for electric locomotives and locomotive parts were signed here this evening between the China National Machinery Import and Export Corporation (CMC) and the General Electric Company (GEC) of the United States.

Under the contracts, GEC will provide China with 200 electric locomotive units and major related technical transfer, involving about 200 million U.S. dollars. The delivery of these locomotives will begin in November this year and finish in March next year.

Meanwhile, CMC will export 2.8 million U.S. dollars worth of locomotive parts to the United States.

This is the second time for CMC to purchase GEC locomotives. CMC bought 220 electric locomotive units from GEC in 1983, and has exported locomotive parts to GEC since 1981.

Among those present at the signing ceremony were Minister of Foreign Economic Relations and Trade Zheng Tuobin, Minister of Railways Chen Puru, GEC Executive Vice-President James Baker, and the U.S. Ambassador to China A.W. Hummel.

HUANG HUA LEAVES FOR EDGAR SNOW SYMPOSIUM

OW241158 Beijing XINHUA in English 1142 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- A Chinese people's friendship delegation left here this morning for Kansas City, U.S.A., to attend the second Edgar Snow symposium at the invitation of the Edgar Snow Memorial Fund.

The delegation is led by Huang Hua, Edgar Snow's old friend and now a vice-chairman of the National People's Congress Standing Committee.

On his way to the U.S., Huang Hua, who left here yesterday, will also attend a meeting of the Interaction Council in Paris as a special guest of the council.

XINHUA ANALYZES SOVIET LEADERSHIP CHANCES

OW250248 Beijing XINHUA in English 0227 GMT 25 Apr 85

["News Analysis: Personnel Changes in Soviet Leadership" -- XINHUA headline]

[Text] Moscow, April 24 (XINHUA) -- A major personnel change in the leadership of the Soviet Communist Party (CPSU) yesterday indicates strong determination on the part of General Secretary Mikhail Gorbachev to carry out domestic reforms.

Viktor Chebrikov, 62, chairman of the Soviet State Security Committee (KGB); Nikolay Ryzhkov, 55, director of the party's Economic Department; and Yegor Ligachev, 64, head of the party's Organizational Department, became full members of the party Politburo.

Since he took over as party general secretary, Gorbachev has repeatedly stressed that immediate and effective measures should be taken to deal with corruption, inefficiency and disorder in production. He called for bolder steps in expanding the scale of self-management of enterprises.

Full Politburo membership gives KGB head Viktor Chebrikov greater power in keeping social and production order. The promotion of Yegor Ligachev, who is also a member of the party's Secretariat, is to give him greater power in tackling organizational problems of leadership at all levels to ensure implementation of socioeconomic policies.

Nikolay Ryzhkov is an energetic and experienced administrator. He has served as first vice chairman of the State Planning Committee since 1979, and as head of the party's Economic Department since 1982. His rich experience will be useful in assisting Gorbachev in economic work.

All three have played a significant role in production adjustment and economic experiment, under the late leader Yuriy Andropov. Reforms had slowed down during the period when Konstantin Chernenko was in office.

In the personnel change, Agriculture Minister of the Russian Republic Viktor Nikonorov, 56, became a member of the Secretariat, and Defense Minister Sergey Sokolov, 73, an alternate Politburo member. With his promotion to the Secretariat, Nikonorov apparently is to take over Gorbachev's job of running the country's agriculture. After graduating from an agricultural institute, Nikonorov has been in charge of agricultural and party work.

Sokolov's elevation as an alternate Politburo member indicates the role of the military in state affairs and the need arisen from the complex international situation, especially the intensified arms race between the two superpowers. He also fills the vacancy left by Ustinov who died last December.

The changes in the party leadership have lowered the average age of the Politburo members (including the late 74-year-old Chernenko and 77-year-old Ustinov) from 68.5 to 65.7. Except for Defense Minister Sergey Sokolov who is 74, the other new leaders are below the average age.

Viktor Afanasyev, editor-in-chief of the party newspaper PRAVDA, said recently that a good number of cadres have gradually matured and are ready for leading posts, and that the country is in the process of rejuvenating the ranks of leading cadres. It seems that the personnel changes are the beginning of a gradual but speedy reorganization of responsible cadres.

TEXTS OF USSR-PRC COOPERATION AGREEMENTS

For the texts of the cooperation agreements between the Soviet Union and the People's Republic of China, signed in Beijing on 23 December 1984 by USSR Deputy Premier Arkhipov and PRC Vice Premier Yao Yilin, see the China section of the 25 April Soviet Union DAILY REPORT, pages 1-5.

I. 25 Apr 85

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

QIAN LIREN, KIM CHONG-IL HOLD TALKS IN DPRK

OW241935 Beijing XINHUA in English 1920 GMT 24 Apr 85

[Text] Pyongyang, April 24 (XINHUA) -- Kim Chong-il, member of the Presidium of the Political Bureau of the Central Committee and secretary of the Central Committee of the Korean Workers Party, met and had friendly talks with Qian Liren, head of the International Liaison Department of the Central Committee of the Chinese Communist Party here this afternoon.

Following the talks, a dinner was given for Qian Liren and his party. Korean officials present on the occasion were Yon Hyong-muk, member of the Political Bureau of the Central Committee and secretary of the Central Committee; Hwang Chang-yop, secretary of the Central Committee; and Hyon Chun-kuk, vice-director of the International Affairs Department of the Central Committee. Also invited to the dinner were Chinese Ambassador to Korea Zong Kewen and several other Chinese diplomats.

During the dinner, Qian presented gifts to Kim Chong-il. Prior to the meeting on April 20, Korean President Kim Il-song met and entertained Qian and his party. Qian arrived here April 19 at the invitation of the Central Committee of the Korean Workers Party.

DPRK DELEGATION ARRIVES FOR TOUR OF CITIES

OW231716 Beijing XINHUA in English 1440 GMT 23 Apr 85

[Text] Beijing, April 23 (XINHUA) -- Deputy Director General of the National Tourism Administration He Ruoquan held a banquet for goodwill delegation from the Democratic People's Republic of Korea here this evening.

The 15-member delegation, headed by General Secretary of Kaesong Municipal People's Committee Kim Yong-chon, arrived here today for a tour of Beijing, Shanghai, Hangzhou and Guangzhou.

FURTHER REPORTAGE ON PENG ZHEN'S VISIT TO JAPAN

Peng Talks to Businessmen

OW240821 Beijing XINHUA in English 0759 GMT 24 Apr 85

[Text] Tokyo, April 24 (XINHUA) -- Japanese entrepreneurs, eager to expand all-round cooperation with China in the economic field, showed appreciation of and satisfaction with the stable political and economic climate in China. Speaking on behalf of the Tokyo business circles here this morning at a forum specially organized for Chairman Peng Zhen of the Chinese NPC Standing Committee by the Federation of Economic Organizations of Japan (Keidanren), Keidanren President Yoshihiro Inayama recalled what the Chinese leaders had told him during his visit to China last year about the steady improvement of China's political and economic situation. "We are very satisfied that these are now becoming true," he said.

The reconfirmation at the third plenary session of the Central Committee of the Chinese Communist Party of the firm pursuance of the policy of opening to the outside world is of extremely great significance in advancing the Sino-Japanese economic ties, he added. Voicing appreciation of Chairman Peng's contribution to China's current economic reform by formulating various economic laws and regulations, Inayama said he expects further improvement in China's investment environment.

Referring to China's economic development program toward the end of this century, Inayama, on behalf of Japan's economic circles, pledged to exert utmost efforts to help China attain its goal.

"Because," he said, "a strong Chinese economy is highly important for peace and stability in Asia and the world at large."

During a free conversation after speeches by both the guest and the host, Chairman Peng Zhen said, "Although China hopes to make use of financial resources from all countries, we give first priority to Japan." Peng noted China's foreign trade with Japan's investment in and technological transfer to China are only one tenth of the total received by China. "These are far from enough," he said.

He assured his Japanese hosts that efforts to improve the environment for foreign investment in China are underway and all the contracts China signs with foreign countries will always remain valid.

Attending today's forum were business leaders of various local organizations, including the Japan Foreign Trade Council, the Chamber of Commerce and Industry, the Federation of Employers' Association and the Japan-China Association on Economy and Trade. Representatives from many other economic organizations and enterprises were also present on the occasion.

Stresses More Trade

OW240741 Beijing XINHUA in English 0600 GMT 24 Apr 85

[Text] Tokyo, April 24 (XINHUA) -- A top Chinese leader told Japanese entrepreneurs here today that China and Japan, while attaching importance to developing their trade, should lay emphasis on enhancing their cooperation in the fields of investment and technology as well. Chairman Peng Zhen of the Standing Committee of the Chinese National People's Congress (NPC) made the statement at a forum of the Federation of Economic Organizations of Japan (Keidanren) on the fourth day of his current visit here.

Describing the furtherance of the Sino-Japanese economic ties in an all-round way as an outstanding subject affecting the sustained development of the friendly relations between the two countries, Peng assured the Japanese entrepreneurs of a favorable environment in China for such ties. "In view of the overall situation and the basic conditions in China, the climate for investment is favorable and will become even better," Peng noted.

To convince his audience, he mentioned the special stipulations in China's Constitution and laws that were formulated in recent years in regard to the policy of opening to the outside world. All these, he said, "have provided basic legal protection for economic activities by foreign businessmen in China," adding that to develop economic and technological cooperation between the two countries is beneficial not only to China but also to Japan.

He enumerated three points to expound his assertion: The growth of China's economy will double or even triple its foreign trade which last year stood at 50 billion U.S. dollars and consequently stimulate Japan's economy by an increased trade between the two countries; a strong economy in China will ultimately lead to exchanges with Japan and other countries on a broader scale and at a higher level; and when China becomes economically strong, it will be able to play a greater role in maintaining peace in Asia and the world at large.

"It is the responsibility we are endowed with by the time to develop economic cooperation between the two countries and promote economic development of both and it is the common desire and to the common interests of both the Chinese and Japanese peoples to do so," Peng said. He called on the Japanese entrepreneurs to share with the Chinese people the heavy responsibility so as to live up to the great expectation of the two peoples.

Satisfied With Visit

OW250340 Beijing XINHUA in English 0329 GMT 25 Apr 85

[Excerpt] Tokyo, April 25 (XINHUA) -- Chairman Peng Zhen of the Chinese National People's Congress Standing Committee said today that his visit here in the past few days is fruitful and conducive to the development of mutual understanding and friendly cooperative relations between the two countries, the two peoples and the two highest legislative organs. "I am satisfied with these results," he said at a press conference at the Japan National Press Club this morning.

He told reporters that during the visit, he saw by himself the tremendous achievements made by the industrious and intelligent Japanese people in their economic construction. He was also moved by the Japanese people's friendly sentiments towards the Chinese people, he said. "I am more convinced that the peoples of China and Japan are sure to live in amity from generation to generation," Peng said.

On Investment, Mao

OW250956 Beijing XINHUA in English 0936 GMT 25 Apr 85

[Text] Tokyo, April 25 (XINHUA) -- Chairman Peng Zhen of the Standing Committee of the Chinese National People's Congress (NPC) said here today that China will give top priority to Japan in terms of foreign investment and introduction of advanced technology. Speaking at a press conference here today at the Japan National Press Club, Peng said, "We are open to all countries in the world but we put Japan, our close neighbor, in the first place, the Japanese business circles in particular." He made these remarks while answering a question about what China hopes in developing Sino-Japanese economic cooperation.

Judging from the trade between the two countries last year which accounts for one fourth of China's total, Peng said the fact that the economic relations between the two countries are in a robust state is one of the indicators of the Sino-Japanese friendship. However, Peng said, there is a possibility and potential in further advancing bilateral economic ties. In pushing forward China's modernization drive and attaining the goal of quadrupling its gross industrial and agricultural output value by the year 2000, China needs a huge amount of investments, he said. But it is not enough for China to rely on itself alone, it also needs to absorb foreign investment, advanced technology and management methods, he added.

When asked what legal protection China is providing or considering to provide in developing its economic ties with foreign countries, Peng said that China's opening policy and foreign investment in China are protected by the Constitution which carries concrete related regulations. Conceding that it was not perfect in terms of China's legal protection for economic activities, Peng said it was due to lack of experience.

He told the reporters that in addition to certain laws formulated and ratified by the Chinese NPC Standing Committee, the Chinese NPC has entrusted China's State Council to draft a number of new regulations and temporary provisions concerning the matter.

These regulations and temporary provisions, Peng said, "bear legal effect," though they are not formal laws and need to be readily amended when China gains mature experience.

He said that China's opening policy will remain unchanged. All the contracts China has signed with foreign countries will be carried through to the end irrespective of possible amendments in the laws.

"This is not my personal opinion, but the opinion of the NCP Standing Committee. It was presented and adopted as a bill to the recent Third Session of the Sixth NPC and we will faithfully carry it out without any reserve," he stressed.

Dwelling on his impression about the "Cultural Revolution" and his views about Mao Zedong, the late chairman of the Chinese Communist Party Central Committee, Peng said the "Cultural Revolution" must be repudiated because it was not good in any description for China's socialist construction.

Chairman Mao, he said, should be appraised in view of his contributions and shortcomings. He spoke highly of Chairman Mao's merits in leading the Chinese people in founding the People's Republic of China and his contributions to China's socialist transformation. But Peng said that Chairman Mao was wrong in launching the "Cultural Revolution" and that his guidance in the "Cultural Revolution" was likewise wrong.

Peng then said he had been deposed from work for 13 years because of that "revolution." But he told the reporters lightly that it was only "a small interlude in the process of the socialist revolution and construction."

On PRC Economic Problems

OW251328 Beijing XINHUA in English 1320 GMT 25 Apr 85

["Peng Zhen on Domestic Economic Problems" -- XINHUA headline]

[Text] Tokyo, April 25 (XINHUA) -- Chairman Peng Zhen of the Standing Committee of the Chinese National People's Congress (NPC) said here today today that China should improve its system of economic management in order to carry out its recent set of economic reforms smoothly.

He made the statement at a press conference held today at the Japan National Press Club when asked about whether China's domestic economic problems would affect its open policy.

He said China was confronted with some problems in the fourth quarter of 1984, especially last December, with the over-issuance of currency, price hikes and cases of "unhealthy" practices. Since January and February large amounts of currency have been drawn back and the money supply tightened. "All in all, we should have better management in all fields," he said.

Though new challenges are sure to arise in the future, China's open policy will not be affected as a consequence of them, he assured.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

Views CPC-JCP Relations

OW251350 Beijing XINHUA in English 1339 GMT 25 Apr 85

["Peng Zhen on Relations Between CPC and Japanese Communist Party" -- XINHUA headline]

[Text] Tokyo, April 25 (XINHUA) -- Chairman of the Chinese National People's Congress Standing Committee Peng Zhen advocated today "a forward-looking attitude" for the Chinese Communist Party and the Japanese Communist Party [JCP] to handle their relations.

Peng was speaking at a press conference held there this morning.

"Let the historians solve the problems left over by history," he said.

The Chinese leader emphasized that after evaluating both the positive and negative experiences of the past, the Chinese Communist Party has laid down four principles on its relations with communist parties and workers' parties of other countries.

According to Peng, the principles are: (1) independence; (2) full equality; (3) mutual respect and (4) non-interference in the internal affairs of other parties.

The last principle, Peng explained, is linked directly to the first one, adding that troubles regarding relations between parties in the past often arose by interference of one party into another's internal affairs.

As a result, the Chinese Communist Party put forth the last principle, he said.

PRC, JAPAN TO EXPAND AGRICULTURAL S&T COOPERATION

OW231803 Beijing XINHUA in English 1453 GMT 23 Apr 85

[Text] Tokyo, April 23 (XINHUA) -- The fourth conference of the Sino-Japanese Agricultural Scientific and Technological Exchange work teams convened here on Monday and Tuesday, concluding with a summary of the talks signed this morning.

During the meetings, both sides expressed satisfaction with the results of the previous exchanges which took place in 1984, and also expressed the desire that such programs and cooperation be even further developed.

They agreed that such exchanges and cooperation were beneficial to agricultural production and research, as well as to the promotion of the friendly relations between peoples of the two nations.

The work teams discussed the expansion of exchange channels and other issues of mutual concern.

The Japanese suggesting that the two countries exchange breeding stock from this year was received positively by the Chinese.

Fifteen Chinese and Japanese agricultural experts attended the conference.

HU YAOBANG RETURNS FROM SOUTH PACIFIC TOUR

OW241758 Beijing XINHUA in English 1736 GMT 24 Apr 85

[Text] Hangzhou, April 24 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang returned here late tonight from Port Moresby, Papua New Guinea, after his successful tour of five South Pacific countries. The five nations are Australia, New Zealand, Western Samoa, Fiji and Papua New Guinea.

Returning here on board the same plane were Hu Qili, member of the Secretariat of the CPC Central Committee; Yang Dezhong, deputy director of the committee's General Office; Zhu Qizhen, vice-foreign minister; Wang Pinqiang, deputy to the minister of foreign economic relations and trade; and Ruan Chongwu, vice-mayor of Shanghai; who were accompanying Hu Yaobang on the visit.

Hu and his party were met at the airport by local party, government and Army leaders, including Wang Fang, secretary of the CPC Zhejiang Provincial Committee, and Xue Ju, deputy secretary of the CPC provincial committee and governor of Zhejiang Province.

HU QILI ON SIGNIFICANCE OF HU YAOBANG'S TRIP

OW242050 Beijing XINHUA in English 2003 GMT 24 Apr 85

[Text] Hangzhou, April 24 (XINHUA) -- The 12-day tour of five South Pacific nations made by Chinese Communist Party General Secretary Hu Yaobang has been a complete success and has attained the desired results, Hu Qili said here today.

Hu Qili, a member of the CPC Central Committee Secretariat and the senior person in the general secretary's entourage, made this and other comments in an interview with Chinese correspondents who had travelled with the general secretary. The tour took the group to Australia, New Zealand, Western Samoa, Fiji and Papua New Guinea. All returned to Hangzhou late this evening at the end of the trip.

Following are questions and answers from the interview:

Question: Would you tell us how you see the results of General Secretary Hu Yaobang's five-nation South Pacific tour?

Answer: The general secretary's visit to Australia, New Zealand, Western Samoa, Fiji and Papua New Guinea was aimed at deepening understanding, enhancing friendship, and expanding cooperation. Thanks to the excellent arrangements and warm hospitality by the hosts, the visit proceeded very smoothly, attained the desired objectives and ended in complete success. During the 12-day tour, Comrade Hu Yaobang visited 20 cities and travelled a total of some 30,000 kilometers. Some of these countries were host for the first time to a Chinese leader's visit.

During the visit, Comrade Hu Yaobang held cordial and fruitful talks with government leaders of these countries on international issues of common concern and ways to strengthen bilateral friendly and cooperative relations. He met with opposition party leaders, industrialists and businessmen, visited economic and cultural establishments to learn about their achievements in construction and had contacts with people from various circles in these countries. He also delivered a number of major speeches on China's fundamental domestic and foreign policies.

Comrade Hu Yaobang crowded his schedule with events in order to meet Overseas Chinese living in these countries, staff members of the Chinese Embassies or Consulates and Chinese students studying in these countries.

What was most important during the trip was the strengthening of mutual trust between the leaders and peoples of China and these countries, enabling the latter to understand that China is sincere in seeking peace and friendship, in seeking the establishment of longstanding relations of cooperation on the basis of the Five Principles of Peaceful Co-existence.

During the visits, China entered into some agreements with the host countries after discussing in earnest how to expand bilateral economic cooperation and friendly exchanges. The two sides also explored the possibilities of opening new fields of cooperation, thus laying down a good foundation for the expansion of economic cooperation in the days to come.

All in all the trip has written a significant new page in the annals of the relations between China and the South Pacific countries, and brought these friendly relations to a new level.

Question: Would you comment on the prospect of China in promoting economic cooperation and relations of friendship with the South Pacific countries?

Answer: The countries in the South Pacific are neighbors of China in the Pacific Ocean. They are friendly with us politically, having no conflicts of interest with us; and economically, both have good and weak points, and can be complementary with each other. In recent years, the economic exchanges and cooperation between China and the South Pacific countries have developed very fast and will surely grow faster with each passing day, until we are major partners in cooperation. This suits the wishes and interests of both parties.

Our relations with these countries are characterized by respect, trust, equality, and mutual benefit -- which we find quite satisfactory. We will continue to work so as to establish and develop the longstanding and stable relations of friendship and cooperation with the countries in this region. As Comrade Hu Yaobang has pointed out time and again, our relations with the various states in the South Pacific are open, and non-exclusive. They will not pose a threat to the good relations of China or these South Pacific countries with other countries. China will fully respect the domestic and foreign policies laid down by the South Pacific states in accordance with their own interests, the existing close relations of cooperation among the countries in the region, and their relations of cooperation with other nations in the world established on the basis of their own interests. China shares common or similar interests with these countries. The prospect of China's economic cooperation and friendly exchanges with the South Pacific states, I believe, is bright.

TALKS WITH BURMA SET UP JOINT BOUNDARY INSPECTION

OW231334 Beijing XINHUA in English 1322 GMT 23 Apr 85

[Text] Rangoon, April 23 (XINHUA) -- China and Burma will conduct a joint boundary inspection later this year. This was agreed in a summary of talks of the second session of the China-Burma Joint Boundary Inspection Committee signed here this afternoon.

Shen Weiliang, deputy director of the Department of Treaties and Law of the Chinese Foreign Ministry, and U Sein Lwin, director-general of the Survey Department of the Burmese Agriculture and Forests Ministry, signed the summary of talks on behalf of their respective governments.

According to the summary, the two sides have made arrangements for the joint boundary inspection scheduled in the latter half of 1985.

Shen, who is heading a Chinese delegation, arrived here on April 10. He paid a courtesy call on Burmese Foreign Minister U Chit Hlaing on April 18. The Chinese delegation will leave for home tomorrow.

XU XIN HOSTS BANQUET FOR THAI DEFENSE DELEGATION

OW241832 Beijing XINHUA in English 1428 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, gave a banquet for a delegation from the Thai National Defense College (NDC) here tonight. The delegation is led by Lieutenant General Panya (Kochsangsi), consultant to the NDC.

In their toasts at the banquet, both Xu and (Kochsangsi) praised the existing traditional friendship between the Chinese and Thai peoples.

Xu said both the Chinese and Thai peoples love peace and oppose aggression. Come what may in the world, he said, the Chinese people will always stand along with the Thai people.

(Kochsangsi) expressed his appreciation of these remarks. The delegation arrived here today after touring Guangzhou, Kunming, Shanghai and Nanjing.

REAGAN ASSURES THAILAND OF U.S. COMMITMENT

OW240959 Beijing XINHUA in English 0908 GMT 24 Apr 85

[Text] Bangkok, April 24 (XINHUA) -- President Ronald Reagan has assured Thailand that U.S. security commitments to Thailand, which faces repeated Vietnamese incursions, are "sound and solid".

The assurance, which was made in a letter addressed to Thai Prime Minister Prem Tinsulanon, was disclosed at a Cabinet meeting yesterday.

Reagan said that the United States was closely watching what was happening along the Thai-Kampuchean border. "We will make every effort to assist you, knowing the important and costly role you play as ASEAN's frontline state," he said.

He stated that he had instructed Secretary of State George Shultz and Defence Secretary Caspar Weinberger to explore ways in which the United States could help Thailand.

It was learned here that some 5,000 tons of U.S. military equipment arrived in Thailand on April 21. The United States is reportedly offering Thailand military aid valued at 107.3 million U.S. dollars this year.

FIGURES ON PROVINCES' 1984 BONUS TAX PAYMENTS

OW231105 Beijing XINHUA Domestic Service in Chinese 0805 GMT 22 Apr 85

[Text] Beijing, 22 Apr (XINHUA) -- The following statistical chart shows the amount of the 1984 bonus taxes [jiang jin shui 1162 6855 4451] paid by state industrial and commercial enterprises in all provinces, municipalities, and autonomous regions as of the end of March in accordance with the data supplied by the General Tax Bureau of the Ministry of Finance:

Hebei Province: 22.52 million yuan;
Shanxi Province: 17.76 million yuan;
Henan Province: 12.01 million yuan;
Shaanxi Province: 8.48 million yuan;
Gansu Province: 7.79 million yuan;
Jiangsu Province: 7.13 million yuan;
Hunan Province: 6.97 million yuan;
Jiangxi Province: 3.1 million yuan;
Nei Monggol Autonomous Region: 2.11 million yuan;
Hubei Province: 2.01 million yuan;
Zhejiang Province: 1.55 million yuan;
Ningxia Hui Autonomous Region: 1.17 million yuan;
Xinjiang Uygur Autonomous Region: 1.06 million yuan;
Guangxi Zhuang Autonomous Region: 1.05 million yuan;
Guizhou Province: 1 million yuan;
Shandong Province: 840,000 yuan;
Liaoning Province: 650,000 yuan;
Heilongjiang Province: 470,000 yuan;
Qinghai Province: 440,000 yuan;
Fujian Province: 220,000 yuan;
Jilin Province: 210,000 yuan;
Guangdong Province: 190,000 yuan;
Anhui Province: 160,000 yuan;
Yunnan Province: 140,000 yuan;
Shanghai Municipality: 80,000 yuan;
Beijing Municipality, Tianjin Municipality, and Sichuan Province: None.

XINHUA Commentator

OW231313 Beijing XINHUA Domestic Service in Chinese 1320 GMT 22 Apr 85

[XINHUA commentator's article: "Set an Example by Paying Bonus Tax"]

[Text] Beijing, 22 Apr (XINHUA) -- The news and statistical chart made public by this agency today on the 28 provinces, municipalities, and autonomous regions paying bonus tax are worth serious reading and thinking over by leading comrades and responsible persons of enterprises in all localities. The State Council has formulated stipulations on levying bonus tax for a long time; but why have these stipulations been enforced in all localities in very different ways?

The key to the question lies in whether or not leading cadres understand the significance of levying bonus tax, and whether or not they can make up their mind to take effective measures.

The State Council stipulates that there be no ceiling on the amount of bonus handed out, but it also stipulates that a bonus tax be levied. This not only helps implement the principle of distribution according to work and more pay for more work, but also may prevent the loss of control over consumption funds and the rise of commodity prices on the market because of handing out large amounts of bonuses. Thus, it safeguards the interests of all consumers, including enterprise workers.

In addition, the state can also increase its revenue as a result. However, the news made public today shows that there are big gaps in enforcing the State Council's stipulations in all enterprises and in all localities. Some units act very slowly, while others have not yet paid a single fen to the state. Do they really have no money to pay the tax? We are afraid this is not necessarily the case. Hebei, where there are not very many industrial and commercial enterprises and where the bonus standard is not the highest, has paid over 20 million yuan for 1984's bonus tax after the normal time and topped the whole country. This is primarily because the leading cadres of Hebei have firmly grasped the work of levying the bonus tax and acted very quickly. They regard it as a matter of great importance which can make the country strong and the people rich.

It is necessary to let all enterprise cadres understand that paying the bonus tax in accordance with stipulations is an enterprise's obligation. The tax organization's levying of taxes in accordance with stipulations is exercising the power entrusted to it by the state. Each tax-paying unit should follow the example of the enterprises in Hebei; give consideration to the interests of the state, the enterprise, and workers with the situation as a whole in mind; support tax departments' work in concrete actions; and take the initiative to pay the tax in full in good time. In this connection, we suggest that all localities and all enterprise emulate one another to set an example by paying the bonus tax.

WORK REPORT OF SUPREME PEOPLE'S COURT TO NPC

0W162335 Beijing XINHUA Domestic Service in Chinese 0003 GMT 15 Apr 85

[Text] Beijing, 15 Apr (XINHUA) -- Report on the work of the Supreme People's Court -- 3 April 1985, at the Third Session of the Sixth National People's Congress, Zheng Tianxiang, president of the Supreme People's Court

Fellow deputies: Since the Second Session of the Sixth NPC was held in May 1984 and especially after the "decision on reform of the economic structure" was adopted last October by the 3d Plenary Session of the 12th CPC Central Committee, the Supreme People's Court, the local people's courts at all levels, and the various special courts have coped with new developments; linked their judicial work more closely and directly with economic construction; taken safeguarding and promoting economic structural reform and socialist modernization as the guiding ideology; and continued to unswervingly deal hard blows at those criminal elements who have severely endangered public security and offenders who have undermined our economy to a serious extent. At the same time, efforts have been strengthened to try civil and economic disputes and to handle such work as dealing with appeals, handling people's letters, and receiving their visits. Numerous methods have been adopted to play an active role in making comprehensive efforts to improve public security, and it has been taken as an important task to strengthen the building of the working contingent of all courts in the country. Last February, the Supreme People's Court sponsored a meeting of court presidents throughout the country. At that meeting plans were drawn up to make judicial work serve the purpose of economic structural reform and socialist modernization even better. Now, I wish to briefly report on the work of the people's courts over the past year.

1. Administration of Justice in Criminal Cases

Dealing hard blows unswervingly at those criminal elements who severely endanger public security and offenders who undermine our economy to a serious extent is one of the most important guarantees to smoothly promote the construction of socialist modernization.

Over the past year, in accordance with constitutional stipulations people's courts at all levels and special courts throughout the country have closely coordinated with people's procuratorates and public security organizations. Resolutely acting in line with the principle of punishing heavily and quickly in accordance with the law, they have continued to deepen the struggle against those criminal elements who have seriously imperiled public order in society, with emphasis on criminals who have succeeded in staying hidden for a long time and have committed crimes while fleeing here and there, and have harshly punished according to law a number of criminals who have seriously infringed upon the interests of the state and collectives, seriously jeopardized the safety of the people's lives and property, and gravely disturbed public order. From April 1984 to last February, people's courts at all levels and special courts tried and concluded more than 310,000 criminal cases and passed sentence on more than 470,000 people who committed various crimes, including over 140,000 cases of murder, rape, robbery, arson, explosion, criminal gangs, major larceny, and kidnapping as well as cases of forced prostitution, inducing women into prostitution, and offering accommodations for prostitution. These cases constituted 45 percent of the total number of criminal cases tried and concluded, and involved over 230,000 criminal elements who constituted 49 percent of the total number of criminals. While acting in line with the principle of punishing heavily and quickly in accordance with the law, they have stressed the necessity of striking surely, accurately, and relentlessly at these criminals. They have emphasized that the court must, under all circumstances, adhere to the principle of "basing ourselves on facts and using the law as the criterion," seek truth from facts, and handle cases in accordance with law. In trying cases, they have emphasized correctly enforcing state laws and implementing the policy of dealing with each case on its merits. They have resolutely -- never leniently -- passed heavy sentences according to law on criminals who should be severely punished. They have, in accordance with the law, dealt leniently with those who have voluntarily surrendered or reported to the authorities to expose a criminal case with true contributions. They have seen to it that policies have been correctly implemented. When a criminal exposes to the authorities crimes committed by other criminals after his sentence has come into effect, his punishment will not be made heavier if he also confesses to other crimes he has committed. If a criminal takes the initiative to confess to a serious crime he has committed, no death sentence will be passed on him if his crime calls for a death sentence. If a criminal renders meritorious service by exposing to the authorities a major criminal, he will be granted commutation according to law. Major criminals who have committed crimes while fleeing here and there for years may all be leniently dealt with according to law if they voluntarily surrender or are persuaded by their family members, kinsmen, and friends to surrender to the authorities; if they refuse to come to their senses and continue to flee here and there to do evil, they will certainly be harshly punished once they are caught.

With the various political and legal organizations and other related departments joining their efforts, tremendous results have been achieved in the struggle begun in August 1983 to severely deal with serious criminal activities. Unbridled criminal perpetrations have been suppressed, the people have generally felt secure, and the social order has markedly turned for the better. According to the statistics of the Ministry of Public Security, in the 18 months from September 1983 to February this year, the rate of criminal activities throughout the country dropped 37 percent compared with the 18 months before we began to severely deal with serious criminal activities. However, the development was not even. The rate of criminal activity dropped more in some places and less in others, and there were dead ends in still some other places.

Great success has been achieved in the major policy of opening to the outside world, enlivening the domestic economy, and restructuring the overall economy, which is an important link in the process of realizing the socialist four modernizations. However, more efforts to implement the policy of opening to the outside world and enlivening the domestic policy tend to incur some problems in social order. Therefore, the struggle to deal severe blows on criminal activities is a prolonged, arduous, and complex task. The Supreme People's Court, local people's courts at all levels, and specialized courts will continue to steadfastly implement the principle of imposing heavier punishment more quickly according to law to severely punish criminals who seriously jeopardize social order and, in close coordination with various political and legal units, continue to strive for a fundamental turn for the better in social order.

While dealing severe blows to serious criminals, people's courts at all levels have also taken an increasingly active part in other tasks of improving social order in an all-round way. Young people account for quite a large percentage of today's criminals. The percentage of major criminal cases culminating from ordinary disputes among the people is also quite outstanding. Therefore, while firmly dealing severe blows to serious criminals, people's courts at all levels, in consideration of specific local conditions, also closely conducted relevant propaganda on the legal system, launched ideological education, and promoted education and enlightenment to prevent and reduce crimes and educate and rescue young people who make mistakes. With severe blows to criminal activities which seriously jeopardize social order, bad elements would become arrogant, good people would suffer, and results could hardly be achieved in all-round improvement of social order. As serious criminals were severely punished and crime rings and abettors were given crashing blows, the people's courage to struggle against criminal acts and their confidence in achieving a fundamental turn for the better in social order were greatly enhanced. Under these circumstances, it is imperative for us to lose no time in doing a real good job in other tasks to improve social order in an all-round way so as to accelerate the building of socialist spiritual civilization and safeguard and promote socialist material civilization.

The other tasks in improving social order in an all-round way, in which people's courts have taken part, were chiefly: First, they provided timely and correct mediation on handling disputes among the people themselves and gave more professional guidance to people's mediation committees in an effort to solve disputes at the beginning and reduce or eliminate destabilizing factors. Second, they launched intensive propaganda and education in the legal system by holding public trials of typical cases. Third they dispatched court cadres to schools, factories, stores, and villages to give lectures on the legal system to enable the people, young people in particular, to know of, understand, and abide by the law; some people's courts held study classes for specialized households to give lectures on the economic contract law and to educate them in abiding by law, observing discipline, and becoming well off through hard work. Fourth, they investigated criminals who were given suspended sentences, put under control, or exempted from punishment and assisted departments concerned in carrying out supervision and control measures. Fifth, they carried out help-through-education measures regarding mild offenders. Sixth, they accepted enquiries on legal matters: gave answers to questions about judicial matters raised by units, organizations, enterprises, institutions, and individuals; and provided common knowledge on laws and the legal service. Seventh, they reduced sentences passed on criminals who showed genuine repentance during reform through labor and gave severe punishment to those who resisted reform to the extent of constituting a crime so as to differentiate them and encouraged them to turn over a new leaf.

Eighth, they launched activities to solicit opinions. In the past year, many people's courts corrected their practice of handling cases behind closed doors and handling them as they stood; instead, court personnel stepped out of their offices to do both judicial work and mass work, paying greater attention to the social effects of handling legal cases.

While sternly cracking down on criminal elements which seriously jeopardize social order and public security, the people's courts have continued to clamp down on serious economic crimes. From August 1983 to the end of 1984, people's courts at all levels tried more than 30,000 economic criminal cases, and over 30,000 economic criminals were given various sentences. Currently, reform of the economic structure is being systematically carried out, and the general situation is very good. But, in the name of reform, some people have engaged in criminal activities by making use of loopholes in the reform. This has seriously hampered the smooth progress of reform of the economic structure, and has jeopardized the socialist system. Other people have attempted to distort the party's policies, and confused right with wrong. They have stubbornly asserted that what is apparently wrong is right, and insisted that those proven guilty should be treated leniently. This has caused ideological confusion among some of the people and cadres, and has caused disturbances in the political and legal departments while carrying out their work. The national conference of court presidents maintains that: People's courts at all levels should adhere to the principles, seek truth from facts, handle cases in accordance with the law, and execute the law strictly and seriously. Serious crimes such as bribery, corruption, theft, smuggling, speculation, and fraud, which have been investigated and proven, must be properly and sternly handled in accordance with the law. Under no circumstances should a law be waived or an offender escape investigation into his responsibility. Major cases, involving a large sum of money, or having serious, adverse economic impact, must particularly be tried and handled strictly according to law. We should also hold full public trials for selected major economic cases, to publicize the legal system and the government's policies. Following the further implementation of reform of the economic structure, new situations and problems have emerged in the struggle against serious economic crimes. The Supreme People's Court, people's courts at all levels in all localities, and special courts are taking measures to make an in-depth and systematic investigation and study, and to analyze typical cases, to draw a clear line between the guilty and innocent, and between serious and minor crimes. This will enable us to crack down on serious economic crimes more effectively and precisely, and ensure and facilitate the smooth progress of reform of the economic structure and the socialist modernization drive.

2. Work on Civil Case Trials

Following the implementation of the policy of developing an open domestic economy, and of reforming the urban and rural economic structure, and the rapid development of the commodity economy, matters concerning property have also changed to a certain extent. The number of civil cases has markedly risen, and the nature of these cases has become more complicated and wide-ranging. In particular, disputes relating to production matters in rural areas, such as those over land, water irrigation, forests, orchards, and agricultural implements, have been on the increase. The number of cases involving demands for compensation for damage done to the legal property of specialized and key households and joint economic establishments has also increased considerably.

Disputes over loans, leases, transaction on houses, dismantling and moving of houses, residential use of land, and inheritance of property have increased, and tend to further multiply. Most of these disputes are handled by the executive departments, or settled by local mediation committees. But, the number of cases submitted to the people's courts is still quite considerable. According to statistics, the number of civil cases preliminarily tried by the people's courts at all levels from April 1984 to February 1985 exceeded 800,000, 7 percent more than the total of civil cases tried in 1983.

If civil disputes were not promptly and properly handled, they would likely intensify and turn into murder, personal assault, arson, or poisoning. In some localities, even gang fights with weapons have taken place because of disputes over farmland, forests, or irrigation. The number of cases of this nature has accounted for the major part of the murder and assault cases which have recently taken place. People's courts at all levels are paying attention to properly, and promptly, handling civil cases in an effort to prevent them from turning into crimes.

The fourth national conference on civil case trials and the national conference of court presidents, held by the Supreme People's Court respectively in June 1984 and February 1985, studied measures for improving work on civil case trials, to meet the needs of reforming the economic structure. The conferences also called on the people's courts at all levels to strengthen work on civil case trials to maintain social stability and unity.

In handling civil disputes, the people's courts have continued to carry forward the fine traditions of doing people's judicial work, and upheld the principles of taking the mass line and emphasizing mediation. Of all civil cases handled by people's courts, approximately 80 percent were settled by mediation.

In recent years, people's courts at all levels have accomplished conspicuous success in strengthening the organization and operation of their agencies. Traveling from place to place to handle the masses' lawsuits on the spot, these agencies' judicial workers have not only provided prompt services, but their operation among the masses has also made their investigation of disputes more efficient. Many civil disputes and some minor criminal cases are thus promptly handled. However, we are badly in need of more people's courts and judicial workers, as they are now unable to meet objective needs.

3. Trial of Economic Cases

Following the development of economic reform, and the implementation of the policy of enlivening the domestic economy and opening to the outside world, the number of disputes over economic contracts and other economic matters has drastically increased, and the number keeps on increasing each month and season. In 1984, people's courts at all levels accepted over 85,000 economic dispute cases; compared with 1983, during which some 44,000 cases were accepted, that was a jump of more than 93 percent. During the second half of 1984, the number of cases accepted was 85 percent higher than in the first half of the year, and the number accepted during the first 2 months of 1985 increased by 9.7 percent over the fourth quarter of 1984, more than 1.5 times the figure for the first quarter of 1984. During the period from April 1984 to February 1985, people's courts at all levels handled over 80,000 economic disputes, involving a total of 1.7 billion yuan. The number of cases handled in that period increased more than 100 percent over that of all 1983.

Today, all intermediate people's courts in the country, with the exception of those in remote areas, have set up economic tribunals, and 93 percent of the nation's basic-level people's courts have set up economic tribunals. Most of the people's courts have also strengthened their capability for handling economic cases.

Following the rapid development of China's shipping industry and economic relations and trade with foreign countries, the number of maritime cases has been daily increasing, and foreign countries are involved in some cases. To exercise our country's jurisdiction and handle these cases promptly, and to safeguard our country's legitimate rights and interests, as well as those of foreign enterprises, organizations and individuals, the Supreme People's Court, in accordance with a decision of the eighth meeting of the Standing Committee of the Sixth NPC in November 1984, decided to set up maritime courts in five port cities, namely Guangzhou, Shanghai, Qingdao, Tianjin, and Dalian, to handle the first trials of domestic maritime cases, as well as those involving foreign countries. These five maritime courts have already begun operating.

China's patent law became effective on 1 April. People's courts' prompt and correct handling of cases concerning patent disputes will have a direct bearing on encouraging inventions and creations, and expediting their application, as well as introducing advanced foreign science and technology into our country. For this purpose, the Intermediate People's Court of Beijing, where the State Patent Bureau and the Patent Reexamination Committee are located, will exercise jurisdiction over cases in the first trial concerning any disagreement with their decisions on patented inventions, the granting of compulsory licenses, and the fees for using them, and the Beijing Higher People's Court will handle the second trial. The intermediate people's courts of all provinces, autonomous regions, and municipalities directly under the central government, where people's governments are located, and the intermediate people's courts of special economic zones, will exercise jurisdiction over the first trial of cases concerning patent infringement disputes, and the higher people's courts in those places will handle the second trial. When necessary, provincial and regional higher people's courts, with the approval of the Supreme People's Court, may designate intermediate people's courts of open cities, and other large cities with patent administrative organs, to exercise jurisdiction over the first trial of patent infringement disputes.

The decision of the CPC Central Committee on reform of the economic structure points out: "More and more norms guiding economic relations and activities will have to be framed in the form of law in the restructuring of the economy and national economic development. State legislative bodies must produce economic legislation faster, the courts should make greater efforts to try economic cases, the procuratorates should strengthen their work in dealing with economic crimes, and the judicial departments should offer active legal services for economic construction." From 1979 to the 10th session of the Standing Committee of the 6th NPC, 20 economic laws were adopted by the NPC and its Standing Committee, thereby framing, in law, the related important norms guiding economic relations and activities. In some localities, and in certain aspects, however, the enacted economic laws have not been fully obeyed and enforced. Many cases in violation of the economic laws have not been tried by the people's courts as they should. There have been frequent instances of a weak concept about the legal system, and frequent acts of despising national laws and the courts. This is harmful to the socialist program of the four modernizations. In the meantime, both the number and quality of personnel of the people's courts trying economic cases are far from adequate to meet the needs of the developing situation.

Because of this, the Supreme People's Court, and various higher people's courts, have concentrated their grasp on training of cadres to try economic cases. We have also stressed that personnel trying economic cases should closely examine reality in conducting investigations and study, strengthen their contacts with economic departments, and raise their ability to practically handle economic cases. Regarding cases of economic disputes involving foreign interests, it is especially necessary to conduct in-depth investigations and study, and deal with them promptly and properly, in strict accord with our Constitution and laws, and according to the treaties and agreements signed between China and the countries concerned, the international treaties of which China is a member, or the applicable international practice.

4. On Strengthening the Building of the Working Contingent of Our Courts

The most fundamental guarantee for quality and efficient work in handling various cases, and for further improving the judicial task, is to raise our court cadres' political and professional quality. To meet the needs of the new situation and new tasks, cadres of the people's courts at all levels, leading cadres in particular, should apply themselves to restudy. They should make a serious effort to study basic Marxist principle, and to become familiar with various laws. Judicial cadres in specialized fields should gain economic or natural scientific knowledge, as required by their work. It is also necessary to straighten the guiding ideology and improve the style of work. Court cadres should be concerned about reform of the economic structure, understand the complete situation in the socialist four-modernizations program, and serve overall interests. In addition, they should make ceaseless efforts to sum up experience and reform the work of their courts in the course of practice.

Not long ago, the Supreme People's Court held the first national meeting to commend advanced collectives and court workers. It was pointed out then that the people's judges must have the quality of seeking truth from facts, handling cases according to law, being upright and not stooping to flattery, and being impartial and incorruptible; they must serve the people wholeheartedly, and set an example, by words and conduct, among the masses of the people to safeguard the dignity of the Constitution and the law. Any acts violating law and discipline, engaging in irregularities and bending the laws for the benefit of relatives or friends, or breaking the laws instead of enforcing them are absolutely intolerable, if occurring in the people's courts. They should be harshly punished as soon as investigation reveals them.

In order to improve the quality of court cadres, the Supreme Court is taking various actions to give on-the-job training to cadres [zai zhi gan bu 0961 5120 1626 6752]. At the same time, we are changing the system of assignment into that of hiring by examination, in order to ensure the good quality of new cadres. All new cadres will be selected from among qualified candidates, through a unified examination according to a unified standard, with the exception of some cadres assigned to work for the court after they graduate from colleges or graduate schools, and some hand-picked cadres, who are qualified for court work. Of the new cadres selected through examination, those who want to serve as judges must undergo appropriate training before their jobs are approved according to law. We shall resolutely stop unhealthy practices, such as practicing fraud for the benefit of relatives or friends, or using someone's influence to enter by the back door. A person hired will be resolutely fired if he is found to be involved in such unhealthy practices. No organizations or individuals should force the court to accept persons who do not meet the requirements for court cadres.

Fellow deputies, the people's courts have made certain achievements in administration of justice in the past year, but they also have shortcomings. Their primary shortcomings are as follows: A few civil, economic dispute, and particularly appeal, cases have not been handled promptly. A few were handled poorly. Bureaucracy still exists in certain aspects of court work. The court cadres are not going deep enough into the realities of life among the masses. We, and the people's courts at all levels, are striving to overcome these shortcomings. Objectively, the people's courts also have practical difficulties. There are problems concerning funds, transportation, prison vans, court-houses, medical examiners' equipment, and office buildings. With the great attention of the leaders at all levels, some have been markedly improved. However, the people's courts in many localities constantly complain that they still have great difficulties in these respects. Improvement in the necessary equipment and conditions for the administration of justice, not only has a direct bearing on the proceeding of the administration of justice. It also has a direct bearing on the process of developing the nation's socialist democracy and improving the socialist legal system. We hope that the state departments concerned will continue to support us, and help systematically solve the problems.

Fellow deputies, the people's courts at all levels in our country are striving to create a new situation in their work. The key to the creation of a new situation in court work is to make sure to abide by the law, strictly enforce it, punish law-breakers, and uphold the dignity of the Constitution and other laws. We are working hard for this and are fulfilling our duty to strengthen the socialist legal system, and build China into a modern, socialist country, culturally advanced and highly democratic. This report is submitted for your deliberation.

RESTRICTIONS ON TECHNOLOGY TRANSFERS LIFTED

ON230453 Beijing XINHUA Domestic Service in Chinese 0832 GMT 20 Apr 85

[Text] Beijing, 20 Apr (XINHUA) -- The State Council recently adopted a report submitted by the State Scientific and Technological Commission, the State Economic Commission, and the National Defense Science, Technology, and Industry Commission listing several suggestions on opening the technology market.

The report states: Opening the technology market is a major policy decision that the CPC Central Committee has made in its decision on reforming the scientific and technological work system. The key point of this policy decision is to lift restrictions and enliven activities. In other words, we should emancipate the broad masses of scientific and technical workers from the trammels of conventions and should lift restrictions and enliven activities with regard to the transfer of technologies, the flexible use of intellectual resources, and the flow of competent personnel so as to link the work of science and technology closely with economic construction. In this way the value of knowledge and technology will be fully manifested in the practice of economic construction and social development and will thus be recognized by society. Accordingly, it will truly become a general practice to respect knowledge and people of professional expertise. Facts have proven that the technology market is a major component of the socialist unified market and possesses enormous vitality. Now we would offer the following suggestions on opening the technology market:

1. Opening the technology market will have a great impact not only on the science and technology front but also on the work of industry, agriculture, and national defense as well as on the broad masses. Because of this, all departments, localities, and units should attach great importance to this matter, actively support it, and properly guide it. Theoretical research workers should carry out studies in this respect, while the press and radio stations should coordinate closely in propaganda work.

Previously promulgated policies and rules which are not in line with or are improper to the opening of the technology market should be adjusted. All incorrect arrangements that have been made in treating scientific and technical personnel due to these policies and rules should be corrected as soon as possible.

2. A national technology market coordination and guidance group should be established. This group will be responsible for organizing a work force to oversee the technology market, formulate relevant laws and regulations, facilitate the exchange of information, and push the development of this work on the principle of supporting it, lifting restrictions, and enlivening its activities.

3. The role of technical-development and technical-consultation organizations of all kinds and at all levels should be brought into full play in exploring markets for technologies. Efforts should be made to encourage all kinds of trade activities in connection with technology transfers, and different ownership systems for organizations engaged in technology transfers should be permitted to coexist so as to enliven the technology market.

4. After the promulgation of the provisional regulations on technology transfer requiring compensation, detailed rules for the implementation of these regulations should be worked out as soon as possible. It is also necessary to enact provisional measures for technology market management, a law governing science and technology contracts, and regulations on the exchange of scientific and technical personnel, on their part-time work, and on amateur scientific and technological activities. This should be done on the basis of investigations and studies and according to the principle of arousing the initiatives of both technology suppliers and recipients as well as the scientists, technicians, and intermediates involved in technology transfers. A policy of support through preferential treatment with respect to tax and credit loans should be adopted for the technology market.

5. An academic organization for technology market research should be set up to conduct theoretical studies on technologies as commodities and on the market for such commodities. National-level papers and publications on the technology market should also be inaugurated.

6. The first national fair for transfer of military industrial technologies to civilian use should be held in March 1985 [as received] in Hangzhou, and a national technology transfer fair will be held in May in Beijing. In addition, it is suggested that a national technology market work meeting to be held at an appropriate time in the latter half of this year so as to sum up and exchange experience and to work out some measures for the prosperity of our technology market.

RENMIN RIBAO ON FURTHERING URBAN ECONOMIC REFORM

HK240409 Beijing RENMIN RIBAO in Chinese 19 Apr 85 p 5

[Article by Xu Jingan: "Looking at the Inside, Streamlining Administration, and Decentralizing Power"]

[Text] What should we do to further urban economic reforms, especially those in cities that are carrying out pilot projects in the reforms? In view of the present situation, we should "direct our eyes inward" and concentrate on the work of streamlining administration and decentralizing power. In this regard we need to study and solve questions in the following four areas:

First, more decision-making powers in the handling of production and business operation should be delegated to enterprises. At present, the main function of the urban economic management departments is still "to organize production" and to manage the internal affairs of their subordinate enterprises. This is the root cause of the unwieldy and multitiered and organization of the urban economic departments and their rigid management over the enterprises. In order to change this stage of affairs, all economic management institutions in cities, including various committees, offices, bureaus, and companies, should review all of their existing functions and see which of these functions can be delegated to the enterprises. In the handling of personnel, financial, and materials affairs, the most difficult is to delegate the power for the distribution and use of materials to enterprises. An important reason why the enterprises cannot do without the care of their "parent" institutions is that they must rely on the materials distributed by these management institutions at higher levels. In order to achieve the materials needed, a city will have to order its enterprises to hand over part of their products which will then be exchanged for the materials needed. Then the city authorities will distribute these materials among the subordinate enterprises. It seems that this method can help the enterprises receive materials in short supply, but it also has many drawbacks: First, cities must have control of some materials in order to exchange them for other materials needed. This will inevitably expand the scope of mandatory planning and add more burdens to the enterprises in addition to the tasks assigned by the state. This will not help invigorate the enterprises and will make some enterprises more dependent on the allocations from higher authorities. Second, because the urban economic management institutions are busy issuing targets and distributing materials, they will not be able to exercise proper overall management. Moreover, this will give rise to various malpractices and under-the-table dealings. Third, in cases where there is a shortage of some goods or of an oversupply, the cities will inevitably take measures to blockade the markets and impede the circulation of goods in order to protect their subordinate enterprises. Fourth, because of the intervention of governments in various localities, many economic affairs which can be settled by enterprises themselves through their own links will be subject to the handling of the governments, and this will sever the horizontal relations between the enterprises. Facts in many cities have shown that cities giving up these functions will be an important step in the process of streamlining administration and decentralizing power.

Second, management functions should be changed. After more powers are delegated to the enterprises, institutions in charge of the distribution of materials can be changed into enterprises engaged in business operations. With various economic departments in the government of a city being extricated from the tedious affairs of managing production, marketing, and materials supply, they will be able to strengthen economic forecasts, planning, and management for all the industries they look after and to better and more promptly readjust their product mixes and industrial structure. The departments in charge of overall economic affairs, such as the planning commissions and the economic commissions, should place stress on studying the orientation for the cities' strategic development and formulating long-term economic plans and overall economic policies.

Third, it is necessary to streamline the organizations of administrative institutions, on the basis of changing their functions. This will ensure smooth and steady changes. If we hastily reorganize the administrative institutions without first properly shifting their functions to the enterprises, the changes will inevitably disrupt our economic order and confuse the people and will thus affect the process of the urgent economic reforms. Of course, this does not exclude the disbanding and merging of a small number of institutions as we regard the changes necessary.

The work of streamlining the administrative structure should proceed from reducing the management tiers. The original structure of the five management tiers, namely the city government, the commission or office, the bureau, the company, and the enterprise, should be changed into a three-tiered or four-tiered structure. At the same time, administrative institutions at the same level should also be lessened so as to strengthen the overall management and supervisory institutions. The overlapping management of party organizations and government institutions should also be changed so as to separate the functions of party organizations from those of government institutions.

Fourth, it is necessary to assign cadres to appropriate posts. In the final analysis, streamlining administration is an issue of reforming the cadre structure and renewing their knowledge structure. The management functions of assigning targets, allocating investments, and distributing materials, that our cadres have been familiar with for a long time will be replaced by the new functions of guiding, serving, and supervising the enterprises. So a large number of cadres will have to restudy new skills or will be assigned to new posts. Without properly rearranging the work of the cadres, we will not be able to advance the urban economic reforms. The surplus cadres can be assigned to revenue, statistical, auditing, and legal departments or can be transferred to enterprises and nonprofit institutions. Some of them should also be allowed to engage in business and service trades, but the enterprises they run should be separated from their original government institutions and should bear all responsibility for the profits and losses by conducting independent accounting.

GUANGMING RIBAO VIEWS ECONOMIC LEVERS RELATIONS

HK231502 Beijing GUANGMING RIBAO in Chinese 14 Apr 85 p 3

[Article by Guo Daimo: "Relations Among Economic Levers"]

[Text] An economic lever is a tool that people use in line with the demands of economic laws to regulate the process of social reproduction and the relations of economic interests. This is to say that an economic lever is an objective tool in something that is subjective and its application is concrete and definite.

Economic levers have their respective individual or independent traits, but have also common traits or links. As far as individual traits are concerned, every economic lever has its own realm and its own functions and has therefore given limitations. As far as common traits are concerned, various economic levers have many areas that crisscross or unite, and they can be comprehensively applied. Our study of the relations among economic levers calls for proceeding from the specific traits of various economic levers in studying the links among them. The main manifestations of these links are as follows:

An economic lever is a means of allowing the role of economic law to come into play. In applying an economic lever, we must take the demands of the system of economic laws into consideration. Different economic levers have their own laws which they emphasize. For example, the pricing lever emphasizes the law of value. The wage lever emphasizes the law of distribution according to work. The financial lever (covering taxation) emphasizes fundamental economic laws and the law of planned development. Of course, the law of value must also be respected and applied. However, all of them cannot rely upon a given law alone and must at the same time take the influence and restraints of other laws into consideration, with the fundamental economic laws of a given society as their ultimate basis.

Economic levers directly or indirectly link the economic interests of various quarters concerned. In applying economic levers, the demands of the system of economic interests must be taken into consideration.

For example, regarding pricing, we cannot just consider the interests of producers, but must take the interests of the state, producers, operators, and consumers into overall consideration. In handing out bonuses, we cannot just consider the immediate interests of workers, but must put state interests first and take the interests of people around us and long-term interests into consideration.

The effects of an economic lever are interrelated, involve different levels, and are interchangeable. The application of every economic lever must be conditional on the existence and application of other levers. For example, the second phase of reform in the switch from profit delivery to tax payment mainly calls for solving the relations of distribution between the state and enterprises. Its essence requires the application of the lever of taxation in smoothing out economic relations. Therefore, the second phase of reform in the switch from profit delivery to tax payment takes the interests of various quarters into consideration in regard to the design of tax categories and taxable items or the readjustment of tax rates, as far as the application of the lever of taxation is concerned. It especially considers the objective prevailing situation of pricing and practice. Therefore, the second phase of reform in the switch from profit delivery to tax payment has, to a certain degree, relieved contradictions in pricing. Economic levers' targets involve different levels. Some economic levers mainly impact on the macroeconomic level, such as the distribution of revenue, and some mainly on the microeconomic level, such as the distribution of profits. Still more levers link different levels, impacting not only on the macroeconomic level, but also the microeconomic level, impacting on such things as pricing, taxation, and so forth. In giving play to the role of a given law, economic levers also involve different levels. For example, the main lever applicable to the law of value is pricing, and the secondary lever is taxation. Given the interrelations of the effects of economic levers and the different levels involved, people can use the interchangeable effects of economic levers as a situation demands, recognizing people's policy decisions and intentions.

ATOMIC RADIATION CENTERS UNDER CONSTRUCTION

HK241414 Beijing XINHUA Hong Kong Service in Chinese 0801 GMT 24 Apr 85

[Text] Zhengzhou, 24 Apr (XINHUA) -- China is building and planning the construction of 12 cobalt-60 atomic radiation centers and installations. It is expected that they will be completed and put into operation in 1 or 2 years.

This reporter learned from a national meeting held here by the New Technologies Bureau under the National Science and Technology Commission that these radiation centers or installations will be built in such large and medium cities as Shanghai, Tianjin, Nanjing, Zhengzhou, and Chongqing. The meeting concluded last week.

Apart from demonstrating and undertaking research projects, these centers or installations will conduct experiments on processes in commodity production, such as the preservation of the freshness of foodstuffs, and be devoted to research into medical sterilization and the modification of high-molecular materials.

Since the 1950's, when China began probing the problem of the peaceful use of atomic energy, it has made many achievements in scientific research, industry, agriculture, and medical studies. In agriculture, with the help of atomic radiation, it has introduced more than 150 new strains of crops. They have been popularized over an area of more than 100 million mu, yielding an additional grain output of 50 billion jin. In recent years, great progress has been made in the research into the preservation of the freshness of foodstuffs.

HU YAOBANG WRITES INSCRIPTION FOR MONUMENT

SK240632 Changchun Jilin Provincial Service in Mandarin 1030 GMT 23 Apr 85

[Text] This afternoon, the Yanbian Korean Autonomous Prefecture held a foundation-stone-laying ceremony in Yanji City for the monument to Comrade (Zhu Dehai). Having engaged in major party and government leading work in Yanbian for many years, Comrade (Zhu Dehai) was an excellent CPC member, a tried communist fighter, and an outstanding Korean nationality statesman, and made great contributions to Yanbian's revolutionary and construction undertakings. During the Great Cultural Revolution period, he was subjected to persecution and was killed.

Last May, while making an inspection tour of Yanbian, Comrade Hu Yaobang suggested that a monument to Comrade (Zhu Dehai) be built and wrote an inscription on the monument's nameplate.

Attending today's foundation-stone-laying ceremony were leading comrades of the party, government, and Army organizations in the Yanbian Korean Autonomous Prefecture; deputies who were attending the on-going third session of the eighth prefectoral People's Congress; members of the third session of the sixth prefectoral CPPCC Committee; leaders of various counties and cities; cadres of the organs at the prefectoral level; and some relatives of Comrade (Zhu Dehai).

XI ZHONGXUN ATTENDS BEIJING RECRUITMENT PARTY

OW241734 Beijing XINHUA in English 1603 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- More than 100 Beijing college students today raised their application to work in China's northwest areas upon their graduation this summer.

They were among those invited to a tea party at the Cultural Palace of Nationalities here this evening held by the governors of Gansu, Qinghai Provinces, Ningxia and Xinjiang Autonomous Regions, who have been here for a week to recruit college graduates to work there.

Among the volunteers is Mei Xiaopeng, a 23-year-old student of civil engineering from Qinhua University. He said he had made this decision last summer during a social survey he did along with his schoolmates in Gansu and Qinghua. "The development of Gansu asks for more college graduate, and I'm sure my parents will support me," he explained.

The northwestern China abounds in mineral resources and would be turned into the country's major economic base in the next century, said Communist Party General Secretary Hu Yaobang after an inspection tour there in 1983. To help recruit qualified professionals for the four provinces and regions in the northwest where conditions are comparatively harder, the Communist Youth League, the Ministry of Education and the State Nationalities Affairs Commission sponsored the trip by local officials from the northwestern China region. So far, some 40,000 Beijing college students attended report sessions on the introduction of local situations, visited exhibitions and went to films prepared by the delegations.

Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee was present at today's tea party.

T. 25 Apr 85

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CHINA
PRC NATIONAL AFFAIRS

RESTRICTIONS ON OVERSEAS REMITTANCES EASED

HK200646 Beijing ZHONGGUO XINWEN SHE in Chinese 0414 GMT 19 Apr 85

[Report by Zhan Moujun: "China To Improve Supply of Goods to Persons Possessing Overseas Remittances"]

[Text] Shenzhen, 19 Apr (ZHONGGUO XINWEN SHE) -- China will considerably improve its supply of goods to persons possessing overseas remittances: 1) the supply of goods will be increased; 2) commodity maintenance services will be provided; 3) sales of commodities at above local fixed prices are prohibited; and 4) arbitrarily increasing the number of overseas remittance tickets required for the sales of commodities is prohibited.

Li Baolin, deputy general manager of the China Overseas Chinese Tourism and Remittance Service Company, made these remarks in an interview with reporters.

Set up in Beijing last autumn, the company later set up branch companies in 19 provinces and municipalities. Several days ago, the company held a trade fair in Shenzhen for commodities supplied for overseas remittances, at which more than 1,500 kinds of products, totaling more than 20,000 pieces -- including household electrical appliances, garment materials, children's toys, computers, instruments, hardware, and building materials -- from 96 factories and plants in Hong Kong and Macao and other countries were on display. The representatives of the sales departments of goods supplied for overseas remittances from all parts of the country attended the fair to see the samples and to hold trade talks.

Li Baolin said: The fair has succeeded in opening up sources of goods and exchanging information on the needs of the market and the households possessing overseas remittances. The business transactions are brisk. Guangdong Province has placed orders for goods amounting to more than \$2 million and plans to import a production line for Western style clothes and equipment for photo developing and printing.

To suit the needs of households possessing overseas remittances whose purchasing power is constantly growing, the China Overseas Chinese Tourism and Remittance Service Company, after its establishment, purchased 100,000 television sets from Hong Kong, engaged in the business of selling tickets in Hong Kong, the United States, and other places; and took delivery of goods in China, and installed centers to take delivery of goods in another 13 cities.

Deputy General Manager Li Baolin said: Another fair on goods for tourists and for persons possessing overseas remittances will be held on a larger scale at the end of this year. Moreover, further efforts will be made to open up new sources of goods in the country in order to increase the supply of famous domestic products, native and special products, and cereal and oil products to households possessing overseas remittances.

ZHANG AIPING ON DEFENSE TECHNICIANS REFORM

OW201053 Beijing Domestic Service in Mandarin 1600 GMT 18 Apr 85

[Text] Zhang Aiping, deputy secretary general of the Central Military Commission, talked recently about structural reform in national defense science, technology, and industry, saying that all comrades on the scientific and technological front should be instructed to scale new heights in science and technology, observe discipline, and refrain from seeking personal profit. He said: Technology may be regarded as a commodity. However, as far as character is concerned, a person should have lofty sentiments and should refrain from turning personal character into a commodity. Zhang Aiping said emphatically: Do not seek only fame and profit.

LEADERS PAY LAST RESPECTS TO LI BOZHAO 24 APR

OW241726 Beijing XINHUA in English 1327 GMT 24 Apr 85

[Text] Beijing, April 24 (XINHUA) -- Deng Yingchao, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, was among the 1,500 mourners paying their last respects to the veteran communist Li Bozhao here this afternoon.

Deng, together with other party and state leaders including Wan Li, Xi Zhongxun, Wang Zhen, Yang Dezhi, Yu Qiuli, Song Renqiong and Hu Qiaomu, extended condolences to Li's widower Yang Shangkun, member of the Political Bureau of the CPC Central Committee. [Beijing XINHUA Domestic Service in Chinese at 1252 GMT on 24 April transmits a report on PRC leaders' paying last respects to Li Bozhao. According to this XINHUA Chinese report, the following PRC leaders were also present on the occasion: Qin Jiwei, Chen Muhua, Qiao Shi, Bo Yibo, Wang Shoudao, Wu Xiuquan, Liu Lantao, Song Shilun, Chen Xilian, Duan Junyi, Wang Heshou, Xu Deheng, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyi Gyancan, Seypidin Aizezi, Rong Yiren, Liao Hansheng, Zhang Aiping, Hong Xuezhi, Yang Jingren, Kang Keqing, Yang Chengwu, Xiao Hua, Chen Zaidao, and Burhan.]

A Standing Committee member of the Chinese People's Political Consultative Conference (CPPCC) National Committee and vice-chairman of the Chinese Dramatists Association, Li died on April 17 at the age of 74.

Born in 1911, Li studied in Moscow in the 1920s. She joined the Chinese Communist Party in 1931 and was one of the few women Red Army soldiers who participated in the "Long March" (1934-1936). As a life-long writer and playwright she created such outstanding works as opera "Long March", stage play "Mother" and novel "A Woman Communist".

Among party and state leaders who presented wreaths were Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, Chen Yun, Peng Zhen, Xu Xiangqian and Nie Rongzhen.

BEIJING TV PLANS SERIES BASED ON LAO SHE NOVEL

OW190835 Beijing XINHUA in English 0738 GMT 19 Apr 85

[Text] Beijing April 19 (XINHUA) -- Lao She's "The Yellow Storm" will be shown in 28 episodes of Beijing television every Sunday from April 21, Yu Pu, director of the series at Beijing TV studio, said here today.

Titled "A Four-Generation Family" in Chinese, the novel was translated into English and Japanese in 1951, French in 1955 and Romanian in 1984. The 800,000-word novel traces 18 families who are neighbours in a small lane. Centered on a rich four-generation household, it takes 130 characters through life in Beijing under Japanese occupation.

Series advisor is Lao She's widow, Hu Jieqing. She says the theme counterposes patriotism and brutality. Preceding each episode is the caption "for the 40th anniversary of the victory in the anti-fascist war." Director Lin Ruwei, 52, says she particularly wants to reach the young who know very little about old Beijing. Those who were barbers, rickshaw pullers, actresses and undertakers in the old days were interviewed before to ensure that the series would present Beijing in the 1940s accurately. Lao She wrote 16 novels, over 70 short stories and 36 plays and librettos between the beginning of his career in the 1920s and his death in 1966.

He writes mainly about ordinary folk in Beijing. Some books and plays, like "Rickshaw Boy", "Teahouse" and "My Life" have been filmed.

Lao She has been widely published in China and abroad. He was awarded the title "People's Artist" by the Beijing Municipal Government in 1951.

RESPONSIBILITY SYSTEM IMPROVEMENT URGED

OW230543 Beijing XINHUA Domestic Service in Chinese 1206 GMT 20 Apr 85

[Excerpts] Beijing, 20 Apr (XINHUA) -- At a meeting attended by representatives of various ministries and departments under the State Council on enterprises consolidation work today, three enterprises' responsible persons introduced their new experience in improving the economic responsibility system under the condition of changing from the delivery of profit to the payment of tax to the state. The responsible person of the national leading group for enterprise consolidation affirmed their experience and called on various localities and departments to continue grasping and improving economic responsibility system. The three enterprises are the Shijiazhuang No 2 state cotton mill, the Beijing switch plant and the Shenyang electric cable plant.

Yuan Baohua, head of the national leading group for enterprise consolidation and vice minister in charge of the State Economic Commission, spoke at the meeting. He highly praised the experience of the three enterprises.

He said: The problem at present is that some comrades do not fully understand the important meaning of economic responsibility system and are only concerned about the distribution of profits and bonuses. The most fundamental guiding principle for implementing economic responsibility system is to rely on and develop the staff members' and workers' spirit of being the masters of our country and improve the quality of enterprises and raise economic results by building a contingent of working class with ideals, morality, culture and discipline in order to realize the grand goal of four modernizations.

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GUANGDONG COMMENT ON CONTROLS, RELAXING POLICIES

HK230757 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 22 Apr 85

[Station short commentary: "We Must Not Only Relax Policies But Also Impose Controls"]

[Text] In opening up to the outside world, Dongguan County has not only relaxed policies, but has also imposed controls, achieving good results. Relaxing policies and imposing controls constitute a unity of opposites. Imposing reasonable controls is for the purpose of relaxing policies properly, and in order to relax policies properly, it is necessary to impose reasonable controls.

When we talk about imposing controls, we mean the management measures which we formulate according to reality and the management system which protects and promotes the open policy. If we change management into bonds that fetter the open policy, then the controls we impose will be destructive and hamper us in further opening up to the outside world. Therefore, in opening up to the outside world and carrying out reforms, we must adhere to dialectical materialism and properly carry out scientific management in relaxing open policies.

HENAN GOVERNOR CALLS FOR PROMOTING REFORM

HK231246 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 21 Apr 85

[Text] On the afternoon of 19 April, the forum on reform of the urban economic structure in the province held a full meeting, at which He Zhukang, deputy secretary of the provincial CPC Committee and governor, spoke.

Comrade He Zhukang said that the main tasks of reform this year are: Focusing on raising economic results, it is necessary to further invigorate enterprises, particularly large and medium enterprises; to further open to the outside world and to other places inside our country; to develop horizontal economic contacts; to give play to the central role of cities; to reform the systems of commodity prices and wages; and to promote readjustment of the economic structure.

Comrade He Zhukang pointed out: Since last year, in reform of the urban economic structure, our province has made a breakthrough in invigorating enterprises, freeing circulation, and enlivening the construction trade and reform of the labor and personnel system. Although this is a preliminary reform, we have begun to smash the economic pattern of ossification and of closing to the outside world which was formed over a long period of time, and we have added vitality to enterprises so as to give economic life an unprecedented, lively outlook. The prospects for a benign cycle of the national economy have begun to appear before us.

Comrade He Zhukang said: It is now the golden era for reform. We must seize this opportune moment, keep forging ahead, and push reform forward. We must further enhance our understanding of reform and must unify our thought. We must particularly unify leaders' thinking and understanding at all levels. We must correctly understand reform and must resolutely curb new unhealthy trends. In correcting the new unhealthy trends, we must ensure that we can both support and protect the positive factors and the momentum of reform and prevent and overcome the negative. We must resolutely curb unhealthy trends. Regarding certain new problems emerging in the course of reform, we must vigorously guide and seriously sum up experiences and lessons.

Comrade He Zhukang said that there are five aspects to the main tasks of reform in our province in 1985:

1. It is necessary to continue to do well in the internal reform of enterprises. The current key point in invigorating enterprises is to invigorate large and medium enterprises; that is, to make enterprises become relatively independent producers and operators of socialist commodities, to make them full of vitality, and to make them have capacity for self-reform and development.
2. It is essential to further streamline the government and to delegate powers, to do service work well, and to create good external conditions for running enterprises well. Governments and departments in charge at all levels must delegate as soon as possible to the enterprises that power belonging to them. They are not allowed to withhold the powers. Some departments in charge have transferred administrative powers to companies that have acted in the capacity of an enterprise on behalf of the government and have withheld the powers and profits, resulting in enterprises being forced to keep their resentment to themselves. This is not allowed. Departments concerned must carry out serious inspections and must be determined to make corrections.
3. It is imperative to develop horizontal economic contacts and to give play to the central role of cities. All cities must open their doors and allow and encourage commodities from other places to enter their local markets. They must allow and encourage enterprises and peasants from other places to engage in production and service work. They must allow and encourage local industrial and commercial enterprises to set up cooperative combines which span a number of urban and rural areas and a number of regions. We must vigorously develop a network of enterprises with famous products and products of superior quality as the center and with backbone enterprises as the main body so as to make production become specialized and socialized. We must constantly expand our capacity for production and must raise economic results.
4. It is necessary to reform prices and wages. We must act in strict accordance with the unified arrangements of the central authorities and the State Council. All measures for other aspects of reform must be beneficial to these two aspects this year.
5. It is essential to do well in reforming the systems of science and technology and education and to strive to make reform in all aspects develop in a coordinated way. Economic construction must rely on science, technology, and qualified personnel. We must gear science, technology, and education to the needs of economic construction. We must encourage enterprises to carry out technological transformation and to make technological progress and must encourage scientific research and educational units to serve enterprises. We must respect technology, knowledge, and qualified personnel.

In conclusion, Comrade He Zhukang emphatically pointed out: At present, reform is the center of all aspects of work. The principal leading comrades of party and government organs at all levels must concentrate their energies on grasping reform well. Party and government organs at all levels must give play to their guidance and service role; must take part in, give guidance to, and serve reform; and must wholeheartedly support reform. They must do work in a down-to-earth manner, resolutely oppose the pursuit of formalism, lay stress on practical results, and advocate the work style of working more and talking less.

In the course of reform, it is necessary to emphasize party spirit, party style, and party discipline, and to strengthen party leadership. Every Communist Party member and leading cadre must stress party spirit, conscientiousness, and work style; must establish the concept of the overall situation; and must carry forward the spirit of devoting themselves to the four modernizations. We must firmly grasp the favorable opportune moment to develop reform constantly and penetratingly in order to win a new victory.

HUBEI CPC VIEWS ON IMPLEMENTING DOCUMENT NO 1

HK230207 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 20 Apr 85

["Excerpts" of "views" of the Hubei Provincial CPC Committee and Government "on a number of questions on implementing Central Document No 1 of 1985"]

[Excerpts] 1. Questions on reforming the system of state monopoly purchase and assigning procurement quotas for agricultural products:

From now on, assigned procurement quotas and state monopoly purchase will be abolished for all agricultural products, except for three medicinal herbs -- musk, (duzhong), and houpo -- for which procurement quotas will still be assigned with specialized departments responsible for procurement, and which may not be freely marketed. The amounts of grain and cotton to be purchased by contract in accordance with the allocations of the state plan should be rationally arranged based on the principle of helping readjust the rural production structure and protecting the interests of producers in concentrated grain and cotton areas.

Following the abolition of assigned procurement quotas for pigs and the lifting of restrictions on pig prices, attention must be paid to protecting the interests of consumers and producers. The cities and counties should themselves decide on the standards and methods for subsidies for urban residents. State-owned foodstuff companies should actively take part in market regulation.

Following the reform of state monopoly purchase and assigned quotas for agricultural products, it is necessary to take steps to handle these products through a variety of channels and prevent clogging circulation.

2. Questions on readjusting the rural production structure:

The guiding principle is to combine distant and near, gradually attain rationality, act in light of local conditions, bring superior points into play, be geared to market needs, stress comprehensive economic results, respect the masses' desires, and provide appropriate guidance. Grain is the foundation of readjustment and conversion, and steady increase in its output should be maintained. On land suited to grain, priority must be given to grain production, with greater efforts made to increase yield and quality.

In animal husbandry, we must simultaneously develop pigs, cattle, goats, rabbits, chickens, ducks, geese, meat, eggs, and milk. At present the focus should be on developing pigs.

While readjusting the internal structure of agriculture, we must vigorously develop township enterprises and promote tertiary industry in a coordinated way, following the path of comprehensive operation of agriculture, industry, commerce, and transport. Township enterprises should be run by households, combinations of households, townships, towns, and villages. A number of wheels should all be turning at the same time.

3. Questions on further relaxing policies on forestry:

If possible, collective forests should be contracted for by individual households or combinations of households. It is necessary to consolidate further the power over forests and to promote continuously the experiences of combining mountains on private plots and mountains under the responsibility system into mountains operated by households.

It is necessary to develop the production of forestry, to protect the natural resources of forests, to invigorate the bamboo and timber business, and to genuinely adhere to the principle of imposing strict restrictions on felling timber and bamboo resources while relaxing business operations. Felling timber in collective-run forests should be controlled by country authorities according to annual felling targets examined and approved by the state.

4. Questions on actively developing communications and transportation:

It is necessary to continue to adopt the method of people-built projects while the state gives subsidies to build highways and dredge waterways of tributaries and small rivers.

In economically developed areas, it is necessary to encourage people to adopt the method of raising funds from society to build highways and other transportation facilities. Whoever makes investments has the right to benefit from them. Tolls for highways and other transportation facilities should be determined and approved by provincial departments in charge of communications and transportation. It is necessary to increase the volume of sales of vehicles in rural areas.

5. Questions on relaxing rural financial policies:

In accepting deposits and granting loans, all professional banks should reasonably relax their policies while adhering to their principles. In some instances, they may grant loans jointly after negotiations.

While continuing to embrace the reform of credit cooperatives, it is necessary to develop loan businesses between people reasonably. Rural loans should be granted to suit and support the readjustment of the rural production structure. At present, it is necessary to try every means to solve the problem concerning the loans for this year's spring farm work.

6. Questions on actively developing and perfecting the rural cooperative systems:

Various factors of production and new economic combinations that have appeared in rural areas in recent years belong to cooperative economies to different extents. All localities must properly sum up the experiences in this field and vigorously support and correctly guide the factors and new economic combinations to come closer and closer to perfection.

It is necessary to guide peasants to establish professional and comprehensive service organizations in crop protection, seeds, agricultural machinery, irrigation, the processing industry, and transportation; properly carry out preproduction, midproduction, and post-production services; and encourage cooperation among partnerships.

7. Questions on alleviating the peasants' burdens:

The funds raised by peasants for developing public welfare can only be used in the following five fields, namely, rural education, family planning, people's militia training, giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen, and communications.

The amounts should be decided by township people's governments after discussions and should be strictly controlled according to relevant regulations formulated by the provincial CPC Committee. Peasants have the right to reject the payment of any charges in excess of those amounts.

8. Questions on expanding economic ties between the cities and the countryside and strengthening the building of small towns:

Urban areas must actively help peasants in transforming and processing agricultural products and in expanding products and trades which can be developed in a decentralized way and which need intensive labor.

They must also actively provide technology and equipment, carry out coordination and business operations on a basis of equality and mutual benefit, vigorously support the development of town and township industries, and painstakingly create conditions to facilitate peasants in taking up jobs, doing business, and developing the service industry in urban areas.

9. Questions on expanding export of agricultural and sideline products:

Following the abolition of state monopoly purchase and procurement quotas for agricultural products, provincial, prefectural, and county foreign trade companies are allowed to purchase at free prices agricultural products from rural markets.

All localities and departments are allowed to seek clients themselves and directly hold business talks with them. But contracts with foreign businessmen and companies should be signed according to relevant regulations.

10. Questions on perfecting the contract system in financial affairs:

It is necessary to continue to carry out the pilot project in county level financial departments properly and undertake the establishment of financial departments at the town and township levels.

11. Questions on properly developing agricultural science and technology education and promoting agricultural science and technology:

It is necessary to readjust the internal structure of agricultural science and technology seriously. While making continuous efforts to grasp scientific research and scientific and technological promotion of grain, cotton, oil crops, and other farm products, it is necessary to strengthen vigorously scientific research and promotion of forestry, animal husbandry, fishery, and the processing of agricultural and sideline products.

12. Questions on strengthening the building of rural grass-roots party organizations:

It is necessary to select a number of young people who have some cultural and scientific knowledge, cherish ideals, have ambitions, have some organizational ability, and have a pioneering spirit and to promote them to leading posts in grass-roots units.

Attention should be paid to recruiting party members from outstanding rural cultured youth. It is necessary to teach rural party members and cadres to be models who not only have the courage to take the lead in getting rich through labor, but also lead and help the masses in getting rich.

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P R C R E G I O N A L A F F A I R S
SOUTHWEST REGION

Q 1

YUNNAN ISSUES CIRCULAR ON CURBING MALPRACTICES

HK231522 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 22 Apr 85

[Text] The provincial Industrial and Commercial Administration Management Bureau recently held a meeting of directors of industrial and commercial administration management bureaus from all prefectures, autonomous prefectures, and cities to discuss and study how to correct the problem of party and government organs and cadres doing business and running enterprises and other relevant problems, and to propose concrete methods for solving the problems.

The provincial CPC Committee has recently again issued a circular calling on all localities to adopt effective and resolute measures to resolutely curb the malpractice of party and government organs and cadres doing business and running enterprises.

In order to ensure smooth progress in correcting the problem, the meeting demanded that industrial and commercial administration management departments at all levels treat correcting the problem of party and government organs and cadre doing business and running enterprises as the central task in the first half of this year. The meeting also proposed concrete suggestions and methods for doing so.

The main contents of the suggestions and methods are: Industrial and commercial administration management departments, under the leadership of local CPC committees and governments, must take the initiative in cooperating with relevant departments and make joint efforts to carry out properly the work of correcting the problem of party and government organs and cadres doing business and running enterprises.

In accordance with regulations stipulated by the provincial CPC Committee and on the basis of reexaminations conducted by party and government organs at all levels, industrial and commercial administration management departments should examine and straighten out one by one all local enterprises which are operated by party and government organs and cadres and which have obtained business licenses, should put forth proposals for dealing with party and government organs and cadres that have violated relevant regulations, and should report those proposals to local CPC committees and governments for approval and implementation.

In correcting the problem of party and government organs and cadres doing business and running enterprises, it is necessary to seriously investigate those who do business by taking advantage of their power, who use reforms to engage in speculation for huge profits, and who swindle and bluff, upset the market, and undermine economic reforms.

It is necessary to resolutely outlaw their illegal activities, to confiscate their huge profits, and to revoke their business licenses. Those who evade taxes must pay taxes retroactively. Those companies which have neither funds nor business venue nor equipment should be closed and their business licenses should be revoked.

It is necessary to resolutely halt the malpractice of party and government cadres engaging in illegal purchases of commodities to seek private interests for relevant enterprises or their family members, relatives, and friends by taking advantage of their power or in the name of party and government organs.

Those who make serious mistakes and violate laws should be severely dealt with according to policies formulated by the state. Those companies which have carried out their business operations without approved business registrations must be banned immediately and must be dealt with according to relevant regulations.

I. 25 Apr 85

PRC REGIONAL AFFAIRS
NORTH REGION

R 1

RECRUITING INTELLECTUALS IMPORTANT IN TIANJIN

SK220324 Tianjin City Service in Mandarin 0030 GMT 21 Apr 85

[Text] On 20 April the Organization Department of the municipal CPC Committee held a meeting to exchange experiences in recruiting party members among intellectuals. The meeting stressed the need to respect knowledge and talented personnel among the broad masses of party members and called on party organizations at all levels to basically solve problems concerning excellent intellectuals joining the party within this year.

Delivering speeches and introducing experiences at the meeting were representatives of some units, including the Xingang shipyard and the municipal engineering survey and designing institute.

Wang Xudong, Standing Committee member of the municipal CPC Committee and director of the Organization Department, delivered a speech at the meeting. Comrade Wang Xudong said: The party should possess excellent talented personnel with natural and social scientific knowledge and knowledge in various fields in the course of the four modernizations and, in particular, the on-going economic restructure so as to build the party into a strong core that guides the socialist modernization. Thus, recruiting a large number of excellent intellectuals into the party is a strategic task in realizing its general task and an important organizational measure for implementing the guidelines of the 3d Plenary Session of the 12th CPC Central Committee.

Comrade Wang Xudong stressed: At present, comrades in our party do not have a high scientific and educational level. Viewed from the municipality's situation, only 26 percent of the municipality's 470,000 party members have a university, secondary specialized school, or senior middle school educational level. Therefore, we must firmly attend to upgrading the scientific and educational level of existing party members and vigorously recruit excellent intellectuals into the party and, in particular, young and middle-aged intellectuals.

In his speech, Comrade Wang Xudong pointed out: Leading comrades of party organizations at all levels play a key role in achieving the work of recruiting party members from among intellectuals. So long as leading comrades pay high attention to and personally engage in the work the broad masses of party members can be aroused to show great concern for and achieve the work.

He said: We should vigorously commend grass-roots party organizations and leading cadres that conscientiously implement party policy on intellectuals and do a good job in recruiting excellent intellectuals into the party. We should criticize and educate those who remain indifferent toward the work of recruiting intellectuals into the party. Those leaders who deliberately stand in the way of and create difficulties for excellent intellectuals joining the party must be dismissed from their posts.

TIANJIN PEOPLE'S CONGRESS PREPARATORY MEETING

SK220602 Tianjin City Service in Mandarin 1430 GMT 21 Apr 85

[Excerpts] The 3d session of the municipal People's Congress held a preparatory meeting this afternoon at the municipal people's auditorium. Zhang Zaiwang, chairman of the municipal People's Congress Standing Committee, presided over the meeting. Zhang Zaiwang declared at the meeting: The 10th municipal People's Congress has 784 people's deputies, of whom 687 have checked in at the Secretariat of the congress. Attending the preparatory meeting were 643 deputies, making a quorum. Attending the preparatory meeting were Bai Hua, Li Zhongyuan, Zhao Jun, Xu Ming, Fan Quan, Han Tianyao, Yu Fujing, and Shi Jian, vice chairmen of the municipal People's Congress Standing Committee.

QINGHAI DISCIPLINE INSPECTION CONFERENCE ENDS

HK240923 Xining Qinghai Provincial Service in Mandarin 1100 GMT 22 Apr 85

[Text] The provincial conference on discipline inspection work pointed out: Vigorously correcting new unhealthy trends, overcoming ideological tendencies to look ahead, and guaranteeing smooth progress in reform of the economic structure is an urgent task of party organizations at all levels throughout the province and is the major work of our province's discipline inspection departments.

The provincial conference on discipline inspection work which was held in Xining 15-20 April, discussed and studied problems of correcting new unhealthy trends, and guaranteeing and promoting smooth progress in reform of the economic structure and in socialist modernization.

At the conference, Ma Wanli, secretary of the provincial CPC Committee, and Huanjiecailang, deputy secretary, attended the conference and spoke.

The conference held: Under the guidance of party rectification work, the great majority of party organizations throughout the province understand more clearly the important significance of party style and discipline and the whole party has basically adhered to party style. The whole province has basically satisfied the requirements for improving party style. However, many problems still exist in the aspect of party style. In particular, new unhealthy trends have caused serious harm to reform and economic construction, and the tasks of correcting party style and achieving basic improvement of party style remain very arduous.

The conference demanded: The units carrying out first-stage party rectification must grasp investigation and correction of the new unhealthy trends as an important link in consolidating and developing the fruit of party rectification. Units carrying out second-stage party rectification must regard correction of the new unhealthy trends as an important content and must grasp it seriously and well so as to advance unfolding of the aspects of party rectification work.

The units that have not carried out party rectification must make achievements in correcting the new unhealthy trends and must really make good preparations for all-round party rectification. Remarkable achievements in the work of correcting new unhealthy trends throughout the province must be made in the first half of this year.

Discipline inspection departments at all levels must vigorously support all functional departments to unfold their work and, in the course of inspection, must help party organizations investigate and deal with serious and difficult cases. Moreover, they must pay attention to other problems of taking advantage of powers to seek personal gain and of pursuing serious bureaucratism to ensure further marked improvement of party style throughout the province this year.

I. 25 Apr 85

C H I N A
TAIWAN

V 1

RED CROSS ASSISTANCE SOUGHT IN SHIP INCIDENT

OW240415 Taipei CNA in English 0301 GMT 24 Apr 85

[Text] Taipei, April 23 (CNA) -- The Red Cross Society in the Republic of China Tuesday cabled the International Red Cross in Geneva, asking for help to investigate whether the 13 crewmen aboard freighter Chi Hung No 491 are safe now.

The society also appealed to the IRC to help settle the incident reasonably to bring about an early return of the freighter and crewmen. Secretary General Ku Cheng-han said the society also mailed a letter to Geneva Tuesday to request assistance. The letter described in detail how the collision happened between the freighter and a mainland Chinese fishing boat off Kinmen last Thursday. It also contained a namelist of the crewmen aboard in order to help the IRC fully understand the event.

Ku said he believes, based on the IRC's friendly attitude to the ROC, the world organization will surely take action soon. Meanwhile, the Communications Ministry indicated Tuesday it has decided to leave the incident to the society to handle so as to avoid governmental contacts with the Chinese Communists

The national seamens union here said Tuesday there hasn't been any further news about the crewmen. It has met the society and discussed the coordinative steps they will take to assist the crewmen.

TAIWAN CONCERNED OVER TRADE GAP WITH U.S.

OW230515 Taipei CNA in English 0316 GMT 23 Apr 85

[Text] Taipei, April 22 (CNA) -- Imbalance-minded Americans say that their trade partners aren't buying enough U.S. goods, and they are finally going to do something about it. For now, they are concentrating their retaliatory protectionist war on Japan. But once the protectionist ball gets rolling, many observers say, other countries are likely to begin bearing the burden of U.S. deficit frustrations. Some say that the Republic of China is a prime target. "Once Congress becomes aroused, it's unlikely Taiwan can escape being caught up in the same net," says Robert Parker, trade committee chairman for the American Chamber of Commerce in Taipei. "It's very vulnerable."

With a 10-billion-dollar U.S. trade surplus, the third largest, and as the recipient of previous criticism about its import policies, Taiwan is in a shaky position indeed. The ROC's surplus ranks second in East Asia, after Japan's. In per capita terms, however, it is nearly double that of Japan. Its average tariff rate is also about twice as high. This country cannot ignore current U.S. pressure on its Asian neighbor. Many here are watching the situation closely. "We see it as a significant hint," says a trade marketing specialist for the North American division of a local trade association. "We don't want to be a target."

Su Han-ming, senior economist with the International Commercial Bank of China, likens the situation to an old Chinese proverb -- killing the chicken to scare the monkey.

Hints about U.S. retaliation against over-protective import policies are nothing new in the ROC. The trade imbalance has been a sticky problem for a long time. For the past several years, economic relations conference between the two nations have focused on these issues. The ROC has gradually been liberalizing import restrictions for about 15 years. But the United States has continued to harp on its sixth largest trading partner, complaining that progress toward more open markets is too slow. Some observers believe, however, that current chicken-killing tactics and a more quickly growing imbalance could mark a turning point in the lingering ordeal. "The trade imbalance between the ROC and the U.S...must now be faced squarely," says a recent editorial in a local English language newspaper.

The trade gap has been widening steadily for nearly 20 years. Recently, however, the ROC's surplus has soared dramatically, from U.S. dollar 2.1 billion in 1980 to U.S. dollar 9.8 billion last year, although it is expected to be lower next year because of a slowdown in the U.S. economy.

One long-time foreign resident of Taipei who has watched the trade scene closely notes that the U.S.-Japan imbalance became a serious issue years ago when it passed the 10-billion-dollar mark. By U.S. estimates, the ROC trade surplus is now U.S. dollar 11 billion. Government officials here insist that they are doing their best to lower trade barriers and to promote American products. Many frequently cite President Chiang Ching-kuo's statement last year declaring liberalization and internationalization key elements in national policy. "The president also said it's not just a slogan," says Chiang Tseng-ti, a director with the Board of Foreign Trade. Chiang and some other ROC officials say that current threats against Japan are likely to speed up liberalization efforts here. Chao Yao-tung, chairman of the nation's Council for Economic Planning and Development, views the need for stepped-up market-opening measures an increasingly urgent one. "We cannot follow Japan's example," Chao insists. "If we stick to the old philosophy of protectionism, we will lose the entire export market." S.C. Tsiang, president of the Chung-Hua Institution for Economic Research, adds, "the present trade surplus problem is very pressing."

Chang Kwang-shih, chairman of the China External Trade Development Council [CETDC], the nation's largest trade organization, speculates that if the United States is satisfied with the outcome of its current imbroglio with Japan, the U.S. protectionist tendencies will subside. If Congress remains dissatisfied, however, it is likely to wage trade battles elsewhere. Chang prefers to think that Taiwan will not be the second, but the third U.S. target, after Canada, whose U.S. trade imbalance ranks No 2. American criticisms, however, have not been focused on countries such as Canada, which have large surpluses but maintain open markets. It is more impatient with those nations where American and domestic businesses are not given equal footing. And U.S. impatience seems to be growing along with its overall trade deficit, now at U.S. dollar 130 billion. Americans are growing cynical about the market-opening policies of countries such as Taiwan. There is much talk, some say, but little action.

"Does Taiwan really believe in liberalization?" William Eberle, a vice chairman of the International Chamber of Commerce, expressed with doubt at a recent economic relations conference in Taipei. Eberle warned that American businessmen and legislators are stepping up pressures on the government to begin counter-protective actions. "Frustrations in Congress are very high," Eberle said. The ROC is becoming more and more a focus of those frustrations. Last year, it was among the nations in question when Congress revamped major trade legislation, calling for retaliation against countries with trade surpluses as well as protectionist policies. Taiwan was also closely scrutinized for its inclusion in the 1984 trade act's generalized system of preferences [GSP], which allows duty-free status on many exports from developing countries. The ROC is a major GSP beneficiary. Along with Hong Kong and South Korea, it nearly lost its place on the list. Many Taiwan-made products are still likely to be excluded as the GSP list undergoes a more thorough review in the next two years.

Another bill recently introduced in Congress could also harm the ROC's export market. The non-rubber footwear act calls for significant quotas on Taiwan's third largest manufactured export. The country is the No 1 foreign shoes supplier to the United States, in terms of volume, making up more than 40 percent of that market.

Despite the current course of Congress, many ROC officials remain optimistic about Taiwan's future trade partnership with the United States. Compared with Japan, there are some factors in the ROC's favor. It's been a slow road, but Taiwan has been making efforts to narrow the trade gap. A special committee was set up last year to study possible surplus-reducing measures. The country has concentrated on expanding U.S. imports rather than restricting exports. Ten purchasing missions have been sent to the United States since 1978, spending more than dollar 7 billion. Import duties are also gradually being lowered; tariffs on more than 1,000 items were reduced this year, the largest number so far. U.S. critics, however, say that buying missions have focused mostly on grains and other agricultural products, purchases that would have been made anyway. They also say that tariff reductions have been insignificant. The maximum rate was reduced this year from 100 percent to 70 percent, still a high figure. Many tariffs remain high on specific goods, particularly those which American businesses are most interested in selling here. And many tariffs, some complain, are calculated by standards more arbitrary than those of the widely accepted international system.

Also in the ROC's favor, however, is an export market that has traditionally been less of a threat than Japan's to the more vital, outspoken, and now troubled, American industries. Electronics, textiles, shoes and toys are not the same as telecommunications, automobile or steel production. Taiwan's labor-intensive, lower-priced products, many here point out, benefit the average American consumer. CETDC Chairman Chang sees this consumer-goods-oriented market as a basic guarantee against a U.S. backlash. "We have a surplus with the U.S.," Chang says, "but we actually have no business conflict."

The ROC's industry structure, however, is changing. The gradual shift from labor-intensive to higher technology enterprises could eventually lead to more formidable rivalry with U.S. manufacturers. Consumer attitudes are another plus for Taiwan. Once U.S. goods become more widely available here, they aren't expected to meet the resistance they have in Japan. The Japanese, it's been observed, turn up their noses at American and other foreign labels. Many analysts say that the current U.S. battle with Japan is with businessmen and consumer sentiments as much as with government regulations. Not so in the ROC. "There is a tremendous unsatisfied demand for American-made goods," says Parker of the American Chamber of Commerce. Such items as Whirlpool washing machines, Max Factor cosmetics, Ivory soap and Wrigley's gum are already big sellers here. Zenith TVs and Cadillacs are popular among the more well-to-do. One local consumer comments, "American products are a symbol of social status."

ROC attitudes in general have seemed more responsive than Japan's to U.S. trade concerns. Government-sponsored trade delegations, government-supported local promotions of U.S. goods, warm receptions of U.S. trade missions and political groups, and a strong pro-America attitude in general have helped to maintain goodwill and fend off U.S. critics. So far, despite criticism, the government here has kept the Americans at bay. The ROC has not taken the sometimes more abrasive approach that many accuse Japan of relying on. "The Japanese are often truly obtuse at dealing with U.S. frustrations," Parker says. "Taiwan is much more adroit at understanding where the pressure points are."

WEN WEI PO ON PROBLEMS IN SINO-SOVIET TALKS

HK250144 Hong Kong WEN WEI PO in Chinese 25 Apr 85 p 3

["News commentary" by Beijing correspondent Cheng Hsiang: "Problems That Cropped Up in the Sixth Round of Sino-Soviet Consultations"]

[Text] Beijing, 23 Apr -- Warm Atmosphere Seems To Turn Abruptly Cool

Chinese Deputy Foreign Minister Qian Qichen arrived back in Beijing today. Asked by reporters at the airport about the results of the Sino-Soviet talks, he gave a simple one-sentence reply: "No progress." In contrast to the aspirations for improving relations which he again expressed before leaving for Moscow, which surrounded the sixth round of consultations in a warmer atmosphere, it seems that things have abruptly cooled down. A mood of cautious optimism regarding the sixth round of the consultations had become apparent. The Soviet side for its part made a series of gestures, as follows:

Soviet Union Makes a Series of Gestures

- Gorbachev's speech on his assumption of power on 11 March.
- Gorbachev's remarks when receiving Chinese Vice Premier Li Peng.
- Gromyko's remarks when receiving Chinese Ambassador to the Soviet Union Li Zewang.
- A regular meeting of the CPSU Central Committee Politburo at the end of March discussed further developing Sino-Soviet economic and trade links. TASS released this news on 28 March (it could not have been reported before that) and also listed it as one of the week's major events.
- Before the sixth round of consultations, Soviet media stopped attacking China by name when reporting on Indochina and Afghanistan.

China naturally took note of these gestures and also made a cautious reaction by avoiding mention of the three big obstacles on many occasions.

-- When Vice Premiers Yao Yilin, Li Peng, and Tian Jiyun talked with Hong Kong and Macao newsmen on 28 March, Li Peng, asked whether the three big obstacles could soon be eliminated, said: I cannot answer your question now. This remark immediately attracted the attention of diplomats in Beijing. When AFP requested the press department to list the three big obstacles, it refused to do so, and also stated that China's attitude toward the Soviet Union was consistent. This too attracted the attention of Eastern and Western diplomats.

-- On 9 April, the day that the sixth round of Sino-Soviet consultations began, Hu Yaobang, talking to Hong Kong and Macao newsmen on Sino-Soviet relations, only mentioned the threat posed to China's security by the Soviet Union. He said: "I cannot say for sure how many obstacles there are."

The examples listed above gave people the impression that, in order to make an appropriate response to the Soviet gestures over the previous month or so, China was exerting itself to avoid reiterating the three big obstacles on the eve of the sixth round of consultations. People really felt from all this that the sixth round of consultations would be able to achieve some progress in eliminating the three big obstacles.

However, it is evident from Qian Qichen's brief remarks at the airport today that no breakthrough at all was made in this round.

Viewpoints of the Two Sides Regarding the Three Big Obstacles

Because the Sino-Soviet consultations have been held in conditions of great secrecy, outsiders have no way at all of knowing what went on there. Hence reports in the Soviet press and a number of remarks made on the Chinese side will help us to get to know the views of the two sides regarding the "three big obstacles."

According to a Chinese expert on the Soviet Union, after the sixth round of Sino-Soviet consultations started, Soviet media carried a great deal of positive reportage on conditions in Indochina, Afghanistan, and Mongolia, apparently reiterating the Soviet Union's consistent attitude regarding these places. During this period the Soviet press and TASS attacked China twice. The first time was on 14 April, when TASS carried a VNA report stating that China had "fired over 10,000 shells on Vietnam from 30 March to 5 April, causing serious damage." PRAVDA and IZVESTIYA both carried this report. The second time was on 17 April, the evening of the closing day of the consultations, when TASS carried an Afghan press report attacking China for supporting the Afghan guerrillas. PRAVDA carried this report, which attacked China by name, on 18 April. At the same time, when receiving the Belgian prime minister on 17 April, Deng Xiaoping bluntly reiterated what the "three big obstacles" are, thus clearing away the obscurity caused by China's hemming and hawing on the three big obstacles issue since the end of March. This was probably because each side stuck to its view during the consultations, thus compelling the Chinese side to restage its stand again. Judging by all this, the two sides were unable to make any progress at all on eliminating the three big obstacles. That is one thing.

Is There an "Order of Priority" in the Three Big Obstacles?

However, is there a certain "order of priority" in the three big obstacles? Judging by recent statements on both sides, this possibility exists.

First, and most notable, when receiving the Belgian prime minister and former British Prime Minister Heath on 17 and 18 April, Deng Xiaoping repeatedly stated that if the Soviet Union could not solve the three big obstacles all at the same time, it could solve them one by one. Deng Xiaoping declared that the problem of Vietnamese troop withdrawal from Cambodia could be solved first.

Coincidentally, in their treatment of Vietnam and Afghanistan the Soviet media have attacked China in differing degrees. According to a Chinese expert on Soviet problems, Soviet media seldom attack China by name regarding the Vietnamese issue, merely referring coldly to "hostile activities of external forces." In the past, Soviet media sometimes carried Vietnamese anti-China material, but they have not been observed to do so recently. When carrying such material they have sometimes omitted the anti-China content. For instance the joint communique issued at the conclusion of the Mongolian foreign minister's visit to Vietnam on 23 March contained some attacks on China, but these were all omitted by TASS in its report on the communique. On the Afghan issue, on the other hand, TASS has frequently carried articles from the Afghan news agency BAKHTAR attacking China by name. Moreover, the CPSU Central Committee publications AGITATOR and MEZHDUNARODNAYA ZHIZN have carried a stream of articles attacking China on the Afghanistan issue. Diplomats in Moscow have carefully noted these differences, and hold that a "relaxation" between the two sides might first emerge over Vietnam.

All these things go to show that China and the Soviet Union are still a long, long way from eliminating the three big obstacles, but also that signs of a change have begun to emerge.

PLANS FOR OVERSEAS EDITION OF RENMIN RIBAO NOTED

HK230339 Hong Kong HONG KONG STANDARD in English 23 Apr 85 p 3

[Text] China's PEOPLE'S DAILY plans to launch an overseas edition later this year. And Hong Kong will be one of its reporting, distribution and printing centres. Reliable source told THE STANDARD the debut would be made on July 1. The new edition, with eight pages -- the same as the current one -- would give more coverage to items of interest in Hong Kong, Taiwan and other countries while minor or local stories items would be discarded, the source said.

However, it is learned that changes would not be introduced in the new edition concerning announcements, policy papers, statements and speeches delivered by either the central government or the party. Editorial policy will still be decided and settled at Beijing's head office. The aim of a new edition is to suit overseas readers' taste and expand readership. A total of 50,000 copies, to be printed in Hong Kong, Japan, the United States and Europe, will be issued initially. In Hong Kong, the paper will be on news stands in the morning as any other paper. At present, the earliest it can be obtained here is in the evening. The exact circulation figure for the paper in Hong Kong is not clear but it is estimated to be less than 10,000.

The readers are mainly organisations having links with China, research departments of major firms and China watchers. To increase manpower, four extra staff will soon be sent here from the mainland. They will join the chief correspondent already based in Hong Kong. A new office will be set up and a site has yet to be picked.

LI YAOQI SAYS MACAO TO GET SAME DEAL AS HONG KONG

HK230347 Hong Kong SOUTH CHINA MORNING POST in English 23 Apr 85 p 9

[Text] Macao, Apr 22 -- No date has been fixed for talks on the future of Macao, but the conditions will be the same as those of the Sino-British agreement when the Portuguese enclave reverts to China. The deputy general manager of Nam Kwong Co, Mr Li Yaoqi, said this to Macao newspaper publishers at a dinner party last night. Nam Kwong Company is considered to be Peking's official mission in Macao. Mr Li, who came to Macao to take over the post last year, has just returned from Peking after attending the National People's Congress.

Mr Li said that when China and Portugal established ties in February 1979, the two nations reached an understanding that Macao's future would be negotiated by two nations when the time was ripe. Portugal officially recognises Macao as Chinese territory under Portuguese administration. Mr Li stressed, however, that when Macao reverts to China, the Macao administration will be the same as Hong Kong -- Macao governed by Macao people as one country, two systems. And there will be no change in the status quo for 50 years after the territory reverted to China. Some journalists expressed fears that there will not be enough experienced people in Macao to govern the territory. Mr Li said that there are some well-educated and experienced people in Macao and more could be trained.

COLUMNIST ON 'BEIJING-STYLE PUBLIC RELATIONS'

HK230427 Hong Kong HONG KONG STANDARD in English 23 Apr 85 p 7

["A Chinese Opinion" column by Chang Kuo-sin: "PR, Beijing Style"]

[Text] In an encounter with Hong Kong reporters, in Beijing to cover the People's Political Consultative Conference (CPPCC) and the National People's Congress (NPC) early this month, a senior official of China's United Front Ministry equated the ministry's work with "what you in Hong Kong call public relations."

One reporter, rising to the situation, described this as "a skillful analogy", designed presumably to window-dress the ministry's political manoeuvring which often shrouded in mystery and intrigue. Whether or not this "skillful analogy" would put the stamp of public relations on united front activities is open to question, but there is no question that the sessions of the CPPCC and NPC recently held in Beijing were a carefully-planned and well-orchestrated exercise in public relations directed towards the Hong Kong people.

Hong Kong delegates to the two meetings and Hong Kong reporters were given VIP treatment throughout. What once was the home of China's emperors rolled out its red carpet to the capitalists and the proletariat from Hong Kong. They were dined and wined almost nightly in their short stay in Beijing.

Beijing lent a ready ear to what Hong Kong delegates proposed about the future of Hong Kong and opened its doors to Hong Kong reporters to gather news, the former given the widest possible media coverage and the latter given unprecedented access to information.

Beijing has never been known to be so nice to Hong Kong. The purpose obviously is trying to project a new image for China that China today is not faithless, not promise-breaking, not perfidious, not nihilistic and not politically-insane as is feared in Hong Kong. It is no longer a police state, rife with mass movements and covered with labour camps, kept in a frenzied state of upheaval with purges and factional struggles.

Special Obvious

This is designed to rectify or dispel or allay some of Hong Kong people's suspicions and distrust of Beijing and their anxieties and fears of coming under Chinese rule after 1997. The image-building public relations became especially obvious in Beijing's red carpet treatment of Hong Kong reporters. They were given briefings by top government leaders, including party leader Hu Yaobang and three vice premiers, which produced very little hard news, but which could be helpful in endearing China to the Hong Kong people, e.g. the briefing on the work of the United Front Ministry, which, as a rule, is kept under wraps like the British MI5.

Even more telling was the reporters' conducted tour of an ancient prison in central Beijing, built in 1911. They were given a peep into the life of the inmates, showing that they are kept in quarters more comfortable and more roomy than the city dwellers outside. The reporters were told that the prisoners are allowed to go home three days a year for good conduct and their family are allowed to spend Chinese New Year with them in the prison. This isn't all. Their wives are allowed to spend one or two nights with them in the prison. For privacy, they are given a room in the staff quarters.

Such a prison must be rated as even more advanced and more innovative than the prisons in Sweden and Norway which also allow conjugal visits by wives. It is definitely more innovative than Hong Kong's prison on Lantau Island which has no walls.

The prison tour was followed by a visit to a labour camp outside Beijing, where youths and grown-ups, who have misconducted in some way, but who have not been convicted of any crime, are reformed through labour. It's like Hong Kong's detention centers, but run more liberally.

From what was shown to the reporters, the labour camp is paradise compared with the labour camps that the Hong Kong people had read about where intellectuals and others were brutalised and tortured in hard labour for anti-revolutionary crimes.

Showered With Favours

Hong Kong reporters were literally showered with favours, given access to places not shown to other journalists before. They were given a tour of the innermost precinct of China's government -- Zhongnanhai, built over a thousand years ago, the playground of emperors and where emperors entertained the faithful.

They were given a tour of what used to be the seat of supreme power in China -- the residence of the late Chairman Mao, shown his bedroom, his personal library, his conference room where mass political movements and purges, including the Cultural Revolution, were planned in meetings with close aides, including the late Premier Zhou Enlai and Army commander Zhu De, and the huge living room where he received foreign dignitaries, including former U.S. President Richard Nixon.

This exercise in public relations could be part or the beginning of a publicity campaign suggested by Mr Xu Jiatun, director of the NEW CHINA NEWS AGENCY in Hong Kong. In an important speech in Beijing, he urged that such a publicity campaign be launched following the NPC and CPPCC sessions to "make Hong Kong compatriots understand the motherland more and the compatriots in China understand Hong Kong more".

The CPPCC and NPC meetings were dominated by Hong Kong issues and Hong Kong delegates dominated their deliberations throughout. High on the agenda of the NPC was the ratification of the Sino-British joint declaration, which was, of course, duly done for the joint declaration to take effect on July 1.

Hong Kong delegates were extremely forthcoming, but not too penetrating, in offering suggestions on how best to maintain prosperity and stability in Hong Kong after 1997. There wasn't anything startling in the suggestions, some of which were conspicuous for their shallowness and superficiality.

The highlight in the round of dinners was, of course, the 16-table banquet given by Mr Ji Pengfei, director of the State Council's Hong Kong-Macao Office. In the banquet, Hong Kong delegate to the CPPCC Mr T.K. Ann sprang the surprise of the evening by inviting Mr Ji and his senior staff to visit Hong Kong and "take a look at how Hong Kong is prospering".

There was no response from Mr Ji.

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